TOWARDS
A
South Asian
COMMUNITY

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Lakhan Lal Mehrotra

INDIAN COUNCIL FOR CULTURAL RELATIONS

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सं गच्छध्वम्
सं वदध्वम्
सं वो मनाँसि जानताम् ।

Sam gachchhadhvam
Sam vadadhvam
Sam vo manaansi jaanataam

May you walk in step together
May you speak in one voice
May your minds unite in knowledge

Rig Veda

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Foreword

I am happy that the Indian Council for Cultural Relations is bringing out the work on SAARC done by Lakhan Mehrotra as a Jawaharlal Nehru Fellow in the form of a book entitled **Towards A South Asian Community.**

Such a publication is timely and relevant. A decade and nine summits since its establishment in 1985, progress towards achieving the goals set for the organisation has been slow. To some extent this is understandable given the subcontinent's colonial past which left behind scars that tend to mould our minds and blur our vision. Yet if we probe into our rich heritage and tradition, examine our resources and possibilities, and try to set our goals keeping in view the aspirations and interests of our people, we find that our affinities are more vital and our links—historical, cultural and geographical—are even stronger than the barriers. Above all, we can see that in the final analysis our aspirations and interests coincide. The key to achieving this objective is to emphasise our affinities, and not our differences.

South Asia is endowed with a remarkable physio-graphical unity extending from the Himalayas in the North to the Indian Ocean in the South. It has the world's highest mountains, greatest rivers, most fertile plains and rich mineral resources. Its peninsula is the most ancient part of the globe. The subcontinent has been a cradle of civilisation that has given birth to several of the world's great religions—Hinduism, Jainism, Budhism and Sikhism—and has nurtured several others from West Asia—the gospel of Zarathustra, Judaism, Christianity and Islam. It has a tremendous heritage in terms of fine arts and literature. And yet the subcontinent stands today in grim contrast to its ancient glory. With only 3.5% of the world's land-mass, it has 20% of the world's population to sustain; its GNP is only 2% of the world's GNP, and its per capita income is among the lowest in the world.

In its very foundations, SAARC acknowledges the deep bonds of history and culture among its members and seeks to foster mutual understanding and good neighbourly relations. While benefits of regional cooperation are obvious, the costs of conflict and non-cooperation are escalating. Other regional bodies like the European Union, ASEAN and NAFTA have already been functioning as powerful entities on the world stage, but SAARC has yet to develop a personality of its own in terms of a South Asian Community. As President of the Indian International Centre I had occasion for extensive interaction with SAARC representatives, culminating in an important International Conference on **SAARC 2000 and Beyond** in 1995. Mehrotra was its Convenor. A publication on this Conference was brought out last year, and even before that we were able to feed our recommendations into the SAARC Summit in 1995.

I congratulate Lakhan Mehrotra for the commendable endeavour he has made in this study to highlight the convergence of aspirations and interests of the SAARC member countries, and the immense resources and possibilities at their disposal. He has analysed the achievements as well as the weaknesses of the organisation, and given us a road map for the future. I am sure that his work will contribute significantly towards giving shape and direction to regional cooperation in South Asia as a Community.

Karan Singh

New Delhi
June 9, 1997

PREFACE

On retirement from the Indian Foreign Service as Secretary to the Government of India in the Ministry of External Affairs, I was privileged to receive the Jawahar Lal Nehru fellowship on November 14, 1993, on the birth anniversary of that great son of India. The Fellowship was awarded to me to work on SAARC: A SEARCH FOR NEW DIMENSIONS. This publication embodies the work done by me as a Nehru Fellow

South Asian Association for Regional Cooperation is a new field of study in international relations. Found in 1985, the organisation itself is just a decade old, quite a short period of time in the context of the millennial history of the Indian subcontinent. An association of seven countries of the region, viz, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka, it cuts across their national frontiers in order to carve out a regional personality based on their civilizational bond and their desire to promote cooperation for their common weal. It is based, too, on the consciousness that history and geography that impart to them their distinct national identities, unite them, too, and that they can act together to fulfil a common role and a common purpose without losing their distinctive identity. However, there is a built-in constraint in the proposition that is SAARC. Given the history of conflicts in the region, SAARC cannot proceed forward by leaps and bounds. There exists a gulf between its declaratory and operational dimensions. Though, as of now, nine summits have been held in the respective capitals of the SAARC countries, its progress as a regional entity has been painfully slow. The countries of the region remain almost as far as ever from achieving the specific objectives of SAARC, viz., realising their full potential, strengthening self-reliance; promoting active collaboration and 'mutual assistance' in the economic, social, cultural, technical and scientific fields; strengthening cooperation among themselves in international forums on matters of common interest; and cooperating with international and regional organisations with similar aims and purposes.

The difficult task before the historian, the social scientist, the political analyst or the military strategist is to look at the concept and reality of SAARC in all its dimensions with a view to discern its strengths and weaknesses, its successes and pitfalls and its potential to ensure a speedy and harmonious march through the corridors of changing time. I have endeavoured to do that in my very small way.

The primary purpose of this study has been a search for new dimensions for SAARC in order to make it an effective instrument for the purpose it has set to itself. In particular the study has concentrated on the following:

The geographical dimension: The geographical setting in which SAARC countries operate South Asia, has a very wide and variegated landscape which boasts of the highest peaks, longest mountain ranges, and some of the mightiest rivers on earth. It is also rich in mineral resources and in flora and fauna. Despite this, however, it remains today one of the poorest regions of the world. SAARC's obvious role in this context is to explore means for an optimal exploitation of the natural resources of the region.

The historical dimension: As a cradle of one of the oldest civilizations of the world, the South Asian region has a proud history of several millennia. From time to time, however, it has also been a hotbed of conflict. The study reflects on the commonality and diversity of the historical experience of the member countries and analyses the points of unity in the midst of their rich diversity.

The psychological dimension: In some countries of South Asia there has been an almost pathological fear that India wishes to establish a pax Indiana in the region. The study seeks to allay such fears and points out ways in which regional cooperation is possible without unnecessary mistrust and apprehensions.

Regionalism vs. bilateralism: The SAARC Charter prohibits discussion on 'bilateral contentious issues'. That has so far helped the process of cooperation through finding common denominators and ensuring that discussions in the SAARC forum do not get bogged down in the morass of bilateral conflicts. However, it also imposes very major constraints on broadening the areas of cooperation. The study makes a number of recommendations in numerous fields without having to dilute the provisions of the SAARC Charter.

Space and Communications, Sciences and Technology: In this age of satellite communications and endless possibilities that the exploration of space offers, operations in space could provide SAARC nations a common platform for action. The study has put an important focus on the informatics revolution in South Asia. Other vistas that can be opened up for cooperation in science and technology, including such fields as natural resource explorations, mass transit systems, and biotechnology have also been examined.

The External Dimension : The world is radically different today, at least in its political complexion, from what it was a decade ago when SAARC was established. The cold war was at its peak then; now it no longer exists. However, some of its shadows still linger, even in our own region. In this context, an attempt has been made to look at the security environment in South Asia in its wider connotation, i.e. both military and non-military and how SAARC countries can look at the scenario jointly to enhance positive security.

The economic dimension: If SAARC wishes to accelerate the pace of its progress as a regional entity, economics rather than politics, will have to be in command in forging bilateral, regional and global relationships of its member countries. While SAARC is nowhere near the Europe of Maastricht, regional organizations like ASEAN and EEC have proved that countries of varying sizes and resource can work for their common weal by creating institutions that subserve common ends. The study briefly reflects on their experiences that can inspire SAARC in various ways. The region comprises one-fifth of the world's population. The study shows that human resources development can convert this huge mass into an asset providing the catalyst for growth.

Finally, the study looks at the latest trends in the economics of SAARC member states and examines the steps that can be taken towards a South Asian Economic Community in course of time.

In sum, one can say that when SAARC was established on December 8, 1985, its founding fathers knew that in an increasingly independent world, peace, freedom, justice and economic prosperity could be best achieved in South Asia by fostering meaningful understanding, good neighbourly relations and mutual cooperation among the member states. The post cold war world promises new opportunities for a lessening of tensions round the globe and advancement of cooperation to improve the quality of life for the human race everywhere. A close analysis of the situation in South Asia reveals that while progress towards regional cooperation has been slow, it is possible to develop SAARC as an effective instrument of change, filling the current gap between its declared mission and actual performance expeditiously. A set of recommendations have been made in this behalf in the study in full knowledge of the hurdles that exist and yet the imperative need to cross them.

New Delhi, 27.4.97 *L.L. Mehrotra*

Shri I.K. Gujaral, Prime Minister of India and Chairman of SAARC with the Author Mr. L.L. Mehrotra on April 23, 1997

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I am very grateful to Smt. Sonia Gandhi, Chairperson of the Jawaharlal Nehru Memorial Fund, for awarding me the Nehru Fellowship on November 14, 1993 to work on "SAARC : A SEARCH FOR NEW DIMENSIONS". I am also deeply indebted to Dr. Karan Singh, Vice Chairman, Nehru Memorial Fund for helping me with the title of the study and Shri Natwar Singh, its Secretary, for charting out areas on which the study should concentrate. My thanks are also due to Shri R.P. Dang, Administrative Secretary of the Fund and Shri S.K. Anand, Controller of Accounts, for making necessary administrative and financial arrangements in connection with my work as Nehru Fellow. My special thanks are also due to Dr. Ravinder Kumar, Director of the Jawaharlal Nehru Memorial Library & Museum for providing me access to the vast treasure of books and documents preserved there.

I am personally grateful to Shri P.N. Haksar, Chancellor, Jawaharlal Nehru University & Professor R. Narayan, Dean, School of International Studies at the time for appointing me as Honorary Professor at the School almost simultaneously with the Jawaharlal Nehru Fellowship award. That gave me an opportunity to benefit greatly from the erudition of many Professors at the J.N.U. in connection with my work as also make use of the magnificent library of the university. In this context may I specially mention Prof. H.S. Chopra of the SIS, J.N.U. & Prof. G.W. Kueck of the Konrad Adenaur Foundation for helping me to organize an international seminar "SAARC 2000 & BEYOND," in March, 1995 in my capacity as a Nehru Fellow. The seminar was inaugurated by Shri K. R. Narayanan, Vice President of India. I remain ever grateful to them and to Dr. Karan Singh who provided the inspiration for that seminar and personally presided over it. The proceedings of the seminar were subsequently published in the book SAARC 2000 & Beyond." Its major recommendations were conveyed by Dr. Karan Singh to all Heads of State/Government of the seven SAARC countries before SAARC's New Delhi Summit in May, 1995.

Facilities for my travel to the capitals of India's South Asian neighbours for collecting the necessary documentation were provided to me by the Indian Council for Cultural Relations. I take this opportunity to express my warm gratitude to Shri Vasant Sathe, its former President, Vice-President of India, Shri K.R. Narayanan, ICCR's Current Chairman, Shri Shiv Mukherjee, its former Director-General and Mrs. Meera Shankar, its current Director-General for making that possible and for undertaking the publication of this work.

My work would not have come to a successful conclusion but for the hard labour put into the research work entailed in my study by Mrs. Manoshi Kumar, Research Scholar at the Jawahralal Nehru University who was appointed as my Research Assistant by the Jawaharlal Nehru Memorial Fund. Mrs. Kumar has spared no effort whatsoever to make certain that the study undertaken by me was as thorough as possible, covering the multiple dimensions of SAARC, and was completed in time. I also express my deep gratitude to Prof. I.N. Mukherjee of the School of International Studies, J.N.U. and Shri Niladri Saha, Research Scholar at the J.N.U., who were most helpful to me in collecting and analysing data on South Asia, particularly relating to economic & trade matters.

My grateful thanks are also due to Shri Abid Hussain, Vice Chairman, Rajiv Gandhi Foundation for giving me the opportunity to organize a series of dialogues with Nepal, Bangladesh, Shri Lanka, and Pakistan, at the Rajiv Gandhi Institute of Contemporary Studies. That helped me greatly in my study on SAARC as a Nehru Fellow by providing me fresh insights into India's bilateral relations with her South Asian neighbours.

I also remain deeply, indebted to the Rashtrapati Bhavan, the Prime Minister's office and the Ministry of External Affairs for providing me the set of photographs included in this publication.

Last but not the least, I am beholden to my wife, Sheela, who did a tremendous job of collecting and cataloguing a large number of press clippings having a bearing on my work for months on end.

L. L. Mehrotra

WHY REGIONAL COOPERATION?

We live in an age which is trying to transcend both time and space. Man has not only set foot on the moon, but has since crossed many new frontiers in search of other solar systems, unexplored signs of life and much more. On our own planet, the revolution of telecommunications has cut distances to naught. Man now shuttles into space with the facility of a walk between neighbouring communities. However, in the midst of light, there are patches of darkness; in the midst of prosperity, vast areas of poverty, and in the midst of growth, backwardness in the form of illiteracy, disease and discrimination—social, economic and political. Science that has given us newer and newer instruments to preserve, promote and modify life like biotechnology has also given us unprecedented instruments of devastation. The battle for survival, and, in parts of the globe, for sheer existence, continues. Man keeps grappling with problems confronting him at the local, national, regional and global planes in his eternal search for solutions.

The Key Link

In man's search for peace, development and excellence, regional cooperation is fast becoming the key link. Countries with different sizes, geographical features and natural resources; countries speaking different languages; countries with diverse religions, social complexions and political systems; and countries at various levels of growth and development are finding ways of building up regional cooperation.

In order to banish war, remove inter-state tensions, improve living conditions and bring about peace and prosperity, regional cooperation has reached a new stage of development in the annals of human history. In the wake of the Second World War and after the founding of the United Nations in 1945, a number of regional organisations have been established such as the European Union, NAFTA, LAFTA, ECOWAS, ASEAN, APEC and SAARC to mention just a few. As the Second World War ended, the United Nations, representing the common aspirations of mankind, set for itself the following objectives :

- (i) to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind;
- (ii) to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small;
- (iii) to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained; and
- (iv) to promote social progress and better standards of life in larger freedom.

Achievement of these lofty goals is not feasible without regional cooperation. As of today, more than 180 nations have joined the U.N. adopting its Charter and committing themselves to these objectives. They represent nearly five-and-a-half billion people on earth. While the United Nations Organisation with its various organs and agencies is making strenuous efforts to achieve these goals globally, it is obvious that between the world today and its individual member states, an intermediary stage is required to promote these objectives. That need is fulfilled by regional organisations. The emergence of constructive regional entities such as the E.U., NAFTA, ECOWAS, ASEAN and SAARC, therefore, is a natural development dictated by the forces of history. Regional cooperation is a demand of our times, and one that will play an increasingly important role in building a better and more secure future for mankind.

EUROPE : The European Union

To what extent are regional organisations fulfilling this historic role and how? Let us first look at the European Union. Peter Kropotkin, a Russian political philosopher of the second half of the 19th century, described war as the natural condition of Europe. The history of Europe is indeed replete with wars. There were wars to make or break nation-states, wars to set up and demolish national empires, wars to establish continental hegemonies, and wars to raise and erase colonial territories round the globe. There was a war between England and France that lasted a hundred years. As though Napoleonic wars of the 19th century were not enough, there were the two World Wars of the 20th century inflicted by Europe across the continents engulfing them in unprecedented holocausts. Any pretext was good enough for a war in Europe, be it religion or territory, polity or economy, the whim or fancy of a king, the imperial ambition of a queen or the military might and regimented discipline of a whole nation. Be it large national entities like France and Germany, Italy and Spain, or U.K.—an island nation at the portals of Europe or small nations like Holland or Belgium, they were all involved in wars one way or the other, causing them and as a consequence altering the political map of Europe repeatedly. Everything seemed to divide these nations and the divisions were settled more through war than through other means. When they established colonial empires, they carried their legacy of conflict across to other continents and inflicted untold misery on them as a consequence of their rivalries.

Europe has now turned away from war and conflict and come under the banner of regional cooperation. Quite symbolically, the genesis of the European Union lay in the emergence of the European Coal and Steel Community (ECSC) in 1951, a scheme for pooling into an integrated market what had traditionally been two essential ingredients of war, viz. coal and steel. It was meant to be a supranational European Authority for managing the integrated market. It has taken full four decades for the European Union to emerge under the Maastricht Treaty since the birth of ECSC and more than two decades since the Treaty of Rome which joined the three greats of Europe, viz. France, Germany and Italy, with its three smallest political entities, viz. Belgium, the Netherlands and Luxembourg, into the European Economic Community. Such a phenomenal transformation, however, could not take place in less time. The greatest boon of the exemplary regional cooperation that the European Union represents is not so much economic, which in itself is of great significance, but the fact that its twelve states have left war behind. Maastricht Treaty is first of all a political statement. In seeking to evolve common defence and foreign policies of the original six of the EEC and others historically so far apart from them as U.K. and Ireland, Spain and Portugal, the Union puts behind the political and military rivalries among them. In the European Union, staunch enemies of the past like Great Britain and France and France and Germany have become allies apparently for a long time to come. That is a great leap forward in humanity's march towards a world free of war. These nations today consider war among themselves as unthinkable. That is one of the greatest victories won by regional cooperation, far greater in its implications for peace and progress than for the establishment of a common market.

Regional cooperation, as we know it today, has altered the course of history in yet another sense. Addressing the European Parliament in December, 1987, Danish Prime Minister, the—then President of the EEC, said that the Community was unique from the historical viewpoint. He stressed that the earlier larger regional bodies were framed on the basis of the oppression of the weak by the strong. The Community, on the other hand, was an association of equals, 'a whole series of independent nations', engaged in 'the art of cooperation' on a purely voluntary basis. As distinct from imperial and colonial empires of history, regional cooperation in the European Community, and now the Union is motivated by the principles of mutual understanding and shared benefit. The Community, of course, has taken this process to a higher stage than other cooperative regional organisations by adding to it the principle of partial surrender of the sovereignty of member states. The European Union, like its predecessors, the European Steel and Coal Authority and the European Economic Community, is a supranational body with a budget of its own and injunctions of the Maastricht Treaty for the evolution, interalia, of common defence and foreign policies by the European Council of Ministers. Though Europe is still a Europe of Nations rather than a unitary superstate, the election of the European Parliament on the basis of universal franchise directly by 'the citizens' of Europe strengthens further the role of regional cooperation in enhancing solidarity of component states in facing common dangers and achieving common goals in political, social, economic and military fields.

The concept of the partial surrender of sovereignty on the part of member states constitutes a high water mark in the development of the process of regional cooperation and makes of Europe a very unique model. The European Union has a common market characterised by free movement of capital, goods, services and technology, and of people (once the requirement of carrying a national passport is eliminated). Besides it has an independent commission, a European Parliament, and also a Court of Justice which is free from national interference and interprets European laws. The evolution of the Union has been piecemeal, stretching over half a century, but it has come to represent a very dynamic force. Having started rather modestly, today the Community covers 350 million people. Its dynamism includes a constantly expanding membership, which is a hallmark of the increasing value of regional cooperation. It has now embraced Sweden, Finland and Austria, which will mean addition of another 20 million. Apart from other aspirants to its membership like Turkey and Switzerland, who, in course of time, may become its full-fledged members, it already has a formula to bring under its umbrella East European nations too. In the unlikely event of the Union including Russia as well, Europe's frontiers will stretch further overnight from the Urals to the Pacific Ocean with its sway extending from the Atlantic to the Pacific like those of USA and Canada in the other hemisphere. Even as the European Union of just twelve nation-states, it covered 6 per cent of the world population and accounted for 20 per cent of the World's GNP and nearly 66 per cent of the world's trade in manufactures. Thanks to regional cooperation, the Union moves on the World stage as an economic super power.

Thus regional cooperation has achieved in Europe what neither Charlemagne nor the Holy Roman Empire, neither Napolean nor Hitler, could achieve through either diplomacy or war for all the power they came to wield. Political and economic fields apart, Europe is cooperating regionally in other vital areas of human activity such as science, technology and environment, and with magnificent results. One also perceives the emergence of a 'European' social dimension. As political and economic barriers fall, as people move across countries more freely, as employment laws become more liberal and as the monetary policy gets more harmonised and results in the issue of one currency by the end of the century for entire Europe, it will become more conscious of its civilisational unity despite linguistic differences. Europe then would either become a fortress and the bane of man's dream for one world, or facilitate the achievement of that dream just as it has realised the one of European unity for itself through regional cooperation. One must hope that a United Europe shall utilise its high political, economic, scientific and social assets in the interest of liberty, equality and fraternity elsewhere as well as in Europe, and will never again use them for oppression and exploitation. Otherwise, conflicts will grow and might spill back into Europe since in the world of today both peace and war are indivisible.

NORTH AMERICA : NAFTA

Another symbol of powerful regional cooperation is NAFTA (North American Free Trade Agreement) which came into being on 17 December 1992 when United States, Canada and Mexico signed a historic trade accord. It is North America's response to the European Common Market on the other side of the Atlantic. Since NAFTA limits itself to trade, economy and finance, industry, agriculture and infrastructure among the three partners, keeping political issues outside its domain, it is not a counterpart of the European Union as such and its infrastructure does not include a North American Parliament nor a North American Court of Justice for that matter. Regionally, it is a direct sequel to the Free Trade Agreement operative between Canada and the United States since 1988 and is an improved and expanded version of the US–Canada FTA. Its peculiarity lies in the promise of regional economic and commercial integration of the two most developed economies of North America with one that is way behind them in all vital indicators. The developmental gap between USA and Mexico is much greater than between Spain and France in the European

Community, Mexico's per capita GDP being only a quarter of USA's. Mexico's political system is also markedly different from the USA's Presidential type and Canada's Westminister type of democracy though Mexico is expected to move fast in the coming years towards a full-blooded liberal democracy. Mexico is also far from being a picture of economic liberalisation though under NAFTA it has achieved some major breakthroughs in that direction.

Numerous are the goals that regional cooperation embodied in NAFTA is supposed to fulfill. NAFTA reinforces the extensive market-oriented reforms being implemented in Mexico since 1985. It extends the reforms to the automobile sector, textiles and apparel, finance, telecommunications and surface transport. Mexican exporters will now have a relatively unfettered access to the US market. Capital inflows to Mexico will also rise dramatically. In the year 1992, in anticipation of the NAFTA, they leaped to US$ 18 billion with US$ 5 billion worth of direct foreign investments. By the year 2000, all Mexican restrictions on entry into the financial services market and individual firm size will be progressively eliminated. By January 2007, temporary safeguard measures in the banking and security sectors will also be withdrawn. In the textiles and apparel sectors, Mexico will benefit immensely along with its other partners, eliminating the tariffs immediately in certain cases and phasing them out over a maximum period of ten years in others. The US would lift quotas on goods produced in Mexico that qualify under the rules of origin mutually agreed upon under the NAFTA, and phase them out according to an agreed time-table in respect of Mexican textiles and apparel that do not qualify. The US will also exempt Mexico from quotas on peanuts, cotton, dairy and sugar imports. Tariffs on 94 per cent bilateral farm trade between Mexico and the USA will be eliminated within ten years, and on the rest after fifteen years. There are enough gains for all the three partners in the NAFTA kitty.

One of the key objectives for the US and Canada, over the decades, has been to have the entire North American auto market fully integrated. If NAFTA achieves that objective, it will eliminate all of Mexico's automotive tariffs and most of its non-tariff barriers over a period of five to ten years. Mexico's domestic requirement will also be phased out over a period of ten years. In the energy sector, however, the US—Canadian gains under the NAFTA would not be so expansive. Mexico will maintain most of its historic restrictions on foreign investment and private participation in the primary petroleum industry. NAFTA does not ensure foreign investment in oil exploration, production or refining and it does not permit the US and Canadian firms to enter Mexico's retail gasoline market. However, Mexico will substantially lift investment restrictions on most of the basic petrochemicals. Moreover, Mexico will permit US and Canadian firms to own 100 per cent of new coal mines and facilities and their investors to acquire, establish and operate electric generating facilities in Mexico for self generation, co-generation and independent power production. That should provide enormous relief to electricity-starved areas of Mexico. Due to all these measures, Mexican trade with USA is likely to go up from its 1990 level of US$ 50 billion to 80 billion in the short run and double in the long run.

In the long run, the main impact of larger US–Mexican trade and industrial cooperation would be higher incomes made possible by greater efficiency and faster growth. As economic integration among the three NAFTA partners increases, living standards, particularly in Mexico, are expected to rise fast. Efficiency in their economies will grow by the tendency of each country to export those goods and services in which it has a comparative advantage. Several production units are expected to shift to Mexico due to cheaper labour costs. More intense competition among a larger number of undertakings in each segment of the market should result in faster growth for the whole region. Moreover, an expanded North American market will further facilitate generation of economies of scale in the region. With added efficiency and lower costs of production, the region's terms of trade with the rest of the world as also its trade balance will improve. The gains of the North American region under NAFTA are expected to be so impressive that the Caribbean countries also may join it. In course of time, and if South America also joins, it may well become the harbinger of an All-American Community—the dream of American states for a century now.

Specially noteworthy is regional integration that NAFTA seeks to achieve in the area of transportation. It improves cross-border access for bus and trucking services, frees up investment in both and in land-side aspects of maritime transportation. It also calls for the harmonisation of technical and safety standards. NAFTA commits each partner to accept the driving licences of the other. It also establishes a Land Transport Standards Sub-Committee to implement a work programme to harmonise non-medical standards for drivers including age and language within a-year-and-a-half and medical standards within two-years-and-a-half. The Sub-Committee will also work to achieve more compatible vehicle standards in the three countries in terms of weights, dimensions, emissions and inspections—a stupendous task indeed. NAFTA permits the US, Canadian and Mexican trucking companies to carry international cargo and to have cross-border access to all of the US and Mexico by the end of 1999. As a result, the value of two-way truck shipments is likely to double by the year 2000. The NAFTA will also allow US and Canadian bus firms to begin cross-border bus service to and from any part of Mexico and the US will provide the same facility to Mexican bus firms. NAFTA will also permit 100 per cent US and Canadian investment in several port facilities in Mexico, and US and Canadian rail roads to directly market their services to Mexican customers, to construct and own terminals in Mexico and provide infrastructure financing. Mexico, likewise will have full access to the Canadian and US rail road systems. Mexico, however, will retain its constitutional restrictions on foreign investment in the state-owned rail road system. Inspite of this, the scope for regional integration of the rail road system in the North American region has received a major boost through NAFTA.

While the magnitude of regional cooperation warranted by NAFTA can only be welcome to the world-community in the context of regional communities forming the missing link between individual nations and the United Nations to achieve the goals set by its charter universally, it must be ensured that organisations like NAFTA do not fall foul of multilateral arrangements such as those incorporated in the GATT. NAFTA should also not prove disadvantageous to countries outside the region carrying on trade with its individual members and should not come in the way of the growing world trade on the free-market principle. Otherwise, instead of rendering service to humanity at large it would become an obstacle to true globalisation of the world economy. NAFTA should have a mutually reinforcing and, therefore, complementary relationship with GATT and should not shift away from multilateralism. If the world's powerful regional entities like the European Union and NAFTA, responsible for a good chunk of world trade, were to become inward-looking, the march of the rest of the world towards a growingly outward orientation of their economies would get stifled and universal values and aspirations will suffer. Unless North America, Europe and Japan set the right standards for regional cooperation, these organisations will smack of 'regionalism' and the trend towards globalisation will halt in its tracks.

SOUTH AMERICA

Meanwhile, there is a ripple effect of NAFTA on regional cooperation in the whole of Latin America. Efforts are underway to establish a South American Free Trade Area (SAFTA) to be fully operative by the end of the century. This is a far cry from just a decade ago when Latin American states ruled by military dictators believed in fighting routine wars among themselves. Colombia and Venezuela, who were engaged in an armed race through the eighties, signed a free trade pact in 1991 thereby tripling their trade in two years' time. Ecuador and Peru, chronically engaged in border conflicts, have frozen them and diverted their military capabilities to fight insurgencies and anti-social elements at home. Chile and Peru, known for their territorial disputes for over a century, are now cooperating with each other in the task of national reconstruction, Chile becoming a major investor in the privatisation of Peru's state enterprises. Argentina and Chile which were on the verge of war in 1977 are now partners in the development of the Southern Core together with Uruguay and Brazil. The Chilean-Argentine border along with the Andes is no longer an area of tension and conflict. It will soon be criss-crossed by newly developed symbols of cooperation, viz. a 750 km pipeline to carry Argentine gas to Chile and a 14 mile railroad tunnel across the Andes. Chile's investment in Argentina now stands at US$ 100 million. Brazil which had posted guns on the Rio Bay to ward off Argentine military vessels and used to fear that its bridges over rivers and gorges would collapse under the weight of Argentine tanks has quadrupled its trade with Argentina between 1990 and 1993, turning it into its largest trading partner.

Regional cooperation has thus become a byword in South America. Effective from 1 January 1995, Argentina, Brazil, Uruguay and Paraguay introduced tariff-free trade under an agreement called MERCOSUR (The Southern Market), which will give a major boost to intra-regional trade among them and make them more competitive abroad. Plans are being drawn up to construct a one billion dollar bridge over the 30 mile width of the estuary of the Parana river connecting Buenos Aires in Argentina with Colonia in Uruguay. A 1500-mile highway to speed up the movement of cargo between Buenos Aires (Argentina) and Sao Paulo (Brazil) is also being planned to help the economic integration of the region. By the end of the century, the nations of MERCOSUR also hope to complete the hidrovia that will allow barges to travel 2140 miles down the Paraguay and Parana rivers from Eastern Bolivia to Southern Atlantic. The walls of hatred built between Paraguay and Bolivia by Stroessner, the erstwhile dictator of the former, are being dismantled under its new democratic set-up and the two countries are now engaged together in promoting Latin American fraternal cooperation. Brazilian investment in neighbouring Uruguary, Paraguay and Bolivia, all relatively small countries, is already very heavy. Regional cooperation is thus generating more wealth for the common good, giving to Latin American nations an ever-increasing peace dividend. As they turn away from bilateral conflicts, their military expenditures decline as a proportion of the GDP and they are able to deploy their energies and resources to the task of reconstruction and development after two centuries of hostilities.

AFRICA

Even the so-called 'dark continent' of Africa has not remained untouched by this historic wave of regional cooperation. Mention may be made here of ECOWAS, established in 1975, to promote cooperation among West African States, of SADCC established in 1980 for promoting cooperation in Southern Africa, and ECCAS established in 1983 for the same purpose in Central Africa. General Gowon, who signed ECOWAS as Nigeria's Head of State, eloquently described it as both a political and socio-economic coup in the region known for its differences and divisions and frequently associated with disintegration till 1975. The organisation signifies a unique achievement for the 150 million strong community of West African nations, some of them Francophone, some Anglophone and some Lusophone. Their diversity is striking in many other ways. Against Nigeria's 1.2 million sq. km. of area, Gambia has only 11000 sq. km; against Nigeria's GDP of US$ 75 billion, Guinea Bissau's is only US$ 145 million. According to the World Development Report of 1987, Nigeria, the West African giant, had 57 per cent of the region's population, 77 per cent of its GDP and 66 per cent of its exports in 1986. However, Nigeria's predominant size, population and natural resources did not prevent the 16 West African countries, viz. Benin, Ivory Coast (Cote d'Ivoire), Gambia, Ghana, Guinea, Guinea Bissau, Burkina Faso (formely Upper Volta), Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo and Cape Verde, to work hand in hand as a regional body in ECOWAS.

The African regional organisations are trying by stages, inter alia, to ensure elimination of customs duties among the member states; abolition of non-tariff restrictions; establishment of common customs' tariff and commercial policy towards the third countries; free movement of capital, goods and services and of people; joint development of transport, communications, energy and other infrastructure such as highways, waterways and airlines; harmonisation of agricultural and industrial policies and reduction of economic disparities. While the thrust of these organisations is mainly economic, their mission has much vaster horizons. ECOWAS, for example, binds all its member states into a non-aggression pact and commits them to non-interference in each other's internal affairs. Like ECOWAS, SAADC and ECCAS, too, endeavour to promote good neighbourly relations among member states by insisting on a peaceful resolution of their bilateral differences. They endeavour to concentrate on development as much through their national effort as through such schemes as the Economic Recovery Programme of ECOWAS that covers more than a hundred projects costing a billion US dollars. Though the African regional organisations are still way removed from anything like an African common market, projects like the West African Highway linking Nigeria with remote Mauritania and the Pan African Nigerian Airlines bear testimony to fruitful regional cooperation. Given its tribal distinctions and often unnatural frontiers bequeathed by its former colonial masters, Africa's redemption lies in regional cooperation rather than in flaunting high-flown national profiles.

ASIA : ASEAN

Among regional organisations in Asia, ASEAN enjoys the pride of place. It serves as a model for regional cooperation and embraces countries as large as Indonesia and as small as Singapore. Five of these countries, viz. Indonesia, Malaysia, Brunei, Singapore and Philippines, have a colonial background, Thailand remained independent throughout the colonial era. The Association of South East Asian Nations started with five member-states in August, 1967; Brunei joined it 20 years later and Vietnam another seven years later. The seven countries are quite different from each other in their political, religious, and social composition as also in respect of the level of their development. Thailand is a Kingdom, Brunei a Sultanate, Malaysia a mixture of the Westminister type of democracy and monarchy, Singapore a democracy with an authoritarian streak, Indonesia a Presidential type of Government but very different from the Presidency of Philippines which is modelled on the USA, and Vietnam a socialist republic. Brunei, Indonesia and Malaysia are predominantly Islamic, Thailand Buddhist, Philippines Christian and Singapore an amalgam of various races and religions. At the time of ASEAN's inception, the prophets of gloom opined that no conceivable benefit could accrue by putting together a series of politically fractious, poor, agrarian countries of this order whose international trade was at a low ebb, who spoke different languages, who still had to achieve a viable degree of national cohesion, and whose economies hardly showed any complementarity. There were others who denounced it as an Indonesian trick to dominate the region and still others who called it a tool of Western imperialism. ASEAN, however, pressed on, undaunted, with the task of regional development.

In order to intensify regional cooperation, ASEAN countries decided to relegate the thorny bilateral issues to other fora so as not to burden the regional body with them and concentrate on improving the climate for regional cooperation by finding the largest common denominators amongst them. In other words, they decided to make haste slowly. The gestation period thus has been rather long, but the gains of sustained efforts to build consensus, thereby perpetually expanding the area of cooperation, have been considerable. Starting with a loose and flexible structure and as an informal consultative body, it has, over the years, come to have some formal trappings. ASEAN today has a permanent headquarter located in Jakarta and is headed by a Director General appointed by member-states on the principle of rotation for three years. There is an annual Ministerial Meeting of Foreign Ministers and another of Economic Ministers with a mandate from the Summit for the two to meet simultaneously whenever necessary. The Standing Committee is chaired by the Foreign Minister of the host country, again by rotation, and consists of Ambassadors of the other five countries in the capital. The Summit meets every three to five years as per necessity. The Secretariat coordinates the work of the Permanent Committees of ASEAN, each dealing with a critical sector of development such as food and agriculture, commerce and industry, transportation and telecommunication, finance, tourism, science and technology, shipping, socio-cultural activities, etc.

ASEAN is not just an inter-governmental affair. The ASEAN spirit of regional cooperation has percolated down to the grassroots level and a number of voluntary non-governmental organisations have sprung up joining hands with the respective Governments in making a success of ASEAN. Such intra-regional bodies include the ASEAN Chamber of Commerce and Industry, the ASEAN Film Producers Association, ASEAN Tours and Travel Association and ASEAN Parliamentary Association. The ASEAN Chamber of Commerce and Industry has set up working groups in the private sector such as the ones dealing with Industrial Complementation, Trade, Banking, Tourism, Shipping, Food Agriculture and Fisheries. The Chamber goes to the extent of suggesting full-scale plans of action to the meetings of ASEAN Ministers which are often adopted. The ASEAN Community is now 350 million strong and has become so conscious of its identity over the last quarter of a century of its existence that ASEAN has already become a state of mind. Some enthusiasts even call it the second nature of people and a distinct way of life. Regional cooperation could not have offered a better souvenir to the masses. The gains of regional cooperation to all the member-states have been extraordinary and their GDP has risen steadily at a high rate so that some of them are already in the company of world's industrial nations in terms of real GDP per capita (Singapore US$ 18,330, Brunei$ 20,589; cf. USA's$ 23,760; Malaysia$ 7790, Thailand$ 5950; Philippines$ 2550; and Indonesia$

2950 according to 1989 figures cited in the UNDP's Human Development Report 1995).

During the last three decades, ASEAN has thus transformed the face of South East Asian nations by providing them scope for united action in vital areas of human activity. Under its benign auspices they have not only coordinated policies of regional development, but also their positions at numerous international and multilateral fora. Thanks to ASEAN, they have earned the respect of one and all including world's major powers. They have succeeded in establishing very useful linkages with several countries of the Asia–Pacific region not only bilaterally but through the collectivity of ASEAN. This is done through the mechanism of sectoral dialogue partnership and full-scale dialogue partnership. Australia and New Zealand, the USA. and Canada, Japan and South Korea are among the dialogue partners. India joined ASEAN as a full dialogue partner in 1996. The same year in July, India became a member of the ASEAN Security Forum (ASF) along with Myanmar, China and Russia.[1] With the end of the cold war, ASEAN has expanded further by extending its membership to Vietnam and will extend it to Cambodia and Laos in the not-too-distant future. Truely dedicated to the goals of peace and prosperity, ASEAN represents a glorious example of what the developing countries can do through regional cooperation and outward-looking orientation, enhancing regional inter-dependence and combining it effectively with globalisation of their economies. ASEAN's success has brought into being a much larger body in the Asian-Pacific region viz., APEC, which carries regional cooperation in the region to its next logical stage.

APEC

Asia Pacific Economic Cooperation (APEC) represents an emerging force for free trade and the promise of greater economic prosperity for people living in the Pacific Rim Nations. In January, 1989, the-then Australian Prime Minister, Bob Hawke called for more effective high level co-operation in the Asia Pacific region. His move proved to be a catalyst. Next came an intense process of consultations among the Pacific economies and their major Pacific trade partners, USA. and Canada. As a result APEC was formed with the inclusion of a good number of countries in that region. APEC membership to-day comprises Australia, New Zealand and Papua New Guinea; Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand;

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[1] The author was personally responsible for India's application to ASEAN for a sectoral dialogue partnership in 1991–92 when he was Secretary (East) in the Ministry of External Affairs in New Delhi and had initiated the 'Look East' policy of the Govt. of India.

China, Hong Kong, and Taiwan; South Korea and Japan; USA. and Canada; and Mexico and Chile. Together, the members represent two billion people with a gross national product of 11 trillion dollars, about half the world's total. APEC is meant to be outward looking not directed towards forming an exclusive trading block. It is based on consensus and nonformal consultations. APEC complements and draws on existing organizations, such as ASEAN in the region.

The objectives of APEC are to develop and strengthen the multilateral trading system, reduce trade barriers, sustain regional growth and encourage the flow of goods and services. Ten work programmes for specific types of co-operation are :

(1) Telecommunications (2) Human Resource Development (3) Trade Promotion (4) Energy (5) Investment and Technology Transfer (6) Tourism (7) Fisheries (8) Marine Resource Conservation (9) Review of trade and Investment Data and (10) University Training.

In addition APEC has set up two working groups looking at special topics:

(a) An adhoc group examining economic trends and issues and
(b) An informal group on regional trade liberalisation.

Thus APEC includes some of the fastest growing and largest economies in the world. It has come through seven ministerial meetings till now. The Canberra meeting in November 1989 was APEC's launch. The 1990 ministerial meeting in Singapore launched seven work programmes with the objective of exploring possible areas of cooperation, now increased to ten. The meeting also reaffirmed the group's commitment to world wide trade liberalisation through the Uruguay Round of Trade Talks. In Seoul, in November 1991, APEC III achieved a diplomatic coup by encompassing "three Chinese Economies, viz. China, Hongkong and Taiwan" and agreed on principles to set up a secretariat. In Bangkok in 1992, at the fourth meeting, Singapore was made the seat of APEC secretariat with a budget of no more than US$ 2 million for fiscal year 1993, raised from contributions from members on a proportional basis.

The Seatle Summit of November, 1993 was the first at which the executive heads of 14 APEC countries met informally, denoting the significance of APEC in their political agenda. They reaffirmed their commitment to implement trade liberalisation measures and a Pacific Business Forum (PBF) was set up for the purpose. The next Summit was held in Bogor, Indonesia on 15 November 1994. The Summit called for free trade and investment liberalisation in the region by 2002 for developed economies and no later than 2010 for all members. The Osaka Summit in Japan in 1995 outlined the guidelines that could be followed to make the Pacific rim free for all trade and investment by the year 2020 and brought about the new "Action Agenda". This summit has made at least one move to allow non-members as 'guests' at the future working groups discussion but strict criteria have been laid down for the selection of non-members even for these groups out of the applicants for APEC membership which include besides India Russia, Argentina, Peru and a few other countries.

The first major post-cold war economic institution, APEC has come to provide a basis for intergovernmental economic co-operation on a "regiolateral" basis. Conceived as a nonbinding, informal, consultative forum, it is now being seen as a regional means of liberalising world trade. Politically, there is no other regional forum in which the US, Japan and China participate. That is also the only forum in which the three Chinese economies of China, Hong Kong and Taiwan are members. That carries the value of APEC across the economic domain. The value of APEC lies in regular consultations that have brought APEC to several annual summits as also in progress in its ten work programmes. Regular meetings have allowed better understanding of the region's growth and its problems. Pursuing trade liberalisation within APEC on a GATT consistent basis without detriment to others will provide a powerful complement to multilateral trade liberalisation.

SOUTH ASIA : SAARC

There must be a host of reasons why the pace of development in South Asia has been slow, but one of them is obvious. Cooperation among countries of South Asia as a region has yet to gather steam. In the 1994 Human Development Index, the countries of the region ranked between Sri Lanka (90) and Bhutan (167). As compared to the average per capita GNP of the North, that of India, Pakistan, Maldives and Sri Lanka is 3 per cent thereof, whereas that of Bangladesh, Bhutan and Nepal is only 1 per cent. By comparison, Brunei's per capita GNP is higher than the North's average, Singapore's 72 per cent thereof, Malaysia's 15 per cent, Thailand's 8 per cent and Indonesia's 4 per cent. According to World Bank statistics, in the last decade the per cent change in the GNP of South Asian nations hovered around 3 per cent which is not even half of the per cent change in ASEAN countries during the same period. The Asian Development Bank statistics indicate that the disparities in the ratio of investment to GDP on which development depends to a considerable extent, was very marked between ASEAN and South Asian countries during the period 1973–85 when ASEAN was already functional and SAARC was yet to be born. The then investment to GDP ratio was Singapore 44.7 per cent, Malaysia 30.8 per cent, Thailand 25.6 per cent, Indonesia 25.4 per cent, Sri Lanka 25.3 per cent, India 23.7 per cent, Nepal 18.1 per cent, Pakistan 17.3 per cent and Bangladesh 12.5 per cent.

Under a well-deliberated and properly coordinated regional policy, ASEAN helped the countries of South East Asia to develop an outward orientation as far as their economies went. South Asian countries where no such organisation existed till 1986 remained inward-looking and vigorously pursued an import substitution course. The latter did not permit them either to enhance regional interdependence or globalise their economies. According to the key indicators of the Developing Member countries of ADB, the ratio of exports to GDP in the case of ASEAN countries during the period 1973–85 was much higher than of South Asian countries-Singapore 131.2 per cent, Malaysia 53.6 per cent, Indonesia 26.4 per cent and Thailand 22.1 per cent, Sri Lanka 28.8 per cent, Pakistan 12.9 per cent, India 6.6 per cent and Bangladesh 5.6 per cent. The ASEAN countries which were working together under the aegis of the regional organisation to improve the marketability of their products, through individual and joint efforts, enhanced their production efficiencies at home and competitiveness abroad. However, the story was just the opposite in the case of South Asian countries which had no regional body to coalesce their endeavours, pulled down as they were by the weight of their political differences and actual wars, altogether independent and uncoordinated economic policies, high tariff and nontariff barriers, inadequate infrastructure and export finance and credit arrangements, inferior standards and insufficient information. They remained inward-looking and stagnant while the outward-looking economies in the developing countries in their south-eastern neighbourhood were beginning to gallop forth.

Mercifully, SAARC was established in 1985 when seven countries of South Asia, viz. Bhutan and Nepal, Bangladesh, India and Pakistan, and Sri Lanka and Maldives, took some hesitating steps towards regional cooperation. That was nearly three decades after the birth of the European Community, two decades after the advent of ASEAN, and a full decade after ECOWAS saw the light of the day. Notwithstanding their differences, the seven SAARC nations realized at last that they had a lot in common and in order to progress with the times, sooner or later they would have to move together.

The structure of SAARC is based largely on the ASEAN model, though there are some important differences. Its Summits meet annually, barring exceptional cases. The Summits are preceded by the preparatory meetings of the Council of Foreign Ministers and of the Standing Committee at the level of Foreign Secretaries. There is a Committee now of Economic Cooperation, too, at the level of Secretaries to the Government. There are nearly a dozen technical committees covering developmental areas from agriculture to meteorology. The organisation has its headquarters at Kathmandu, headed by a Secretary-General appointed for two years on the principle of rotation among member-states. Apart from the Summits, of which there have been eight so far, and the meetings of the Foreign Ministers and the Standing Committee, nearly a hundred meetings are held each year in different sectors of SAARC's activity, but these have largely remained confined to exchange of information and vigour is still missing on the critical plane of action. Cooperation among SAARC countries moves up and down with the swings of the political pendulum but some halting steps are being taken to strengthen it. Among other things Food Security Reserve of SAARC countries has been created, the idea of a PTA has caught on and a SAARC cultural festival has been celebrated with the enthusiastic participation of all the seven member-states. At the Environmental Summit in Rio de Janeiro and the Social Summit in Copenhagen all the seven SAARC countries, in a rare cooperative gesture, cooordinated their position and presented a common platform. A convention against terrorism and another against narotic drugs and psychotropic substances have been signed, but all this does not even scratch the surface of SAARC's potential for regional cooperation.

In order to be an engine of growth and development, SAARC has to move forward fast in core areas of trade, industry, finance and technology to come anywhere near the successful performance of regional organisations like ASEAN and EEC. Regional Cooperation among South Asian nations is an imperative from which there is no escape. The region has to cooperate, and cooperate intensively and extensively, in order to meet the challenges of a new world that is changing at a fast pace to ensure that its people are not subjected to exploitation again, to achieve economies of scale, to provide its commerce and industry an expanded market, and the people, new horizons of growth and development in a ferociously competitive world. The recent liberalisation of the economies of the countries of South Asia is indeed a welcome step. However, this alone will not do. What is needed is the development of a cohesive and a collective thrust to make a significant impact on the world economy on the one hand and systematic fulfilment of socio-economic objectives of the member states including a frontal attack on poverty on a war footing.

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THE ORIGINS OF SAARC

SAARC came into being on 8 December 1985 at the first summit of the leaders of South Asian countries in Dhaka. However, its origins may be said to lie in the process of regionalism set into motion in Asia by Pandit Jawahar Lal Nehru in March 1947 with the holding of the First Asian Conference in Delhi five months before India's independence. The primary purpose of that conference was to consider the common problems of Asian countries and to generate a spirit of Asian solidarity for important battles ahead against colonialism and its legacies of poverty, disease and economic backwardness. While inaugurating the conference, the Indian leader expressed the hope that the event would stand out in history as 'a landmark dividing the past of Asia from the future'[1]. With faith in Asia's future, Nehru said :

> "Strong winds are blowing all over Asia. Let us not be afraid of them, but rather welcome them, for only with their help can we build the Asia of our dreams. Let us have faith in these great new forces and the dream which is taking shape. Let us above all, have faith in the human spirit which Asia has symbolised for those long ages past.[2]"

At the U.N. General Assembly in November, 1948, at Paris, Nehru reminded the world community, and specially Europe, of Asia's potential thus:

> "May I say, as a representative from Asia, that we honour Europe for its culture and for the great advance in human civilisation which it represents; ... but may I also say that the world is something bigger than Europe? ... There are vast tracts of the world which may not in the past, for a few generations have taken much part in world affairs. But they are awake, their people are moving and they have no intention whatever of being ignored or being passed by ... Today I do venture to submit that Asia counts in world affairs. Tomorrow it will count much more than today.[3]"

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[1] Kadirgamar, Foreign Minister of Sri Lanka in his address "Jawahar Lal Nehru, Foreign Minister of India, at Colombo on November 14, 1994, Nehru's 105th Birth Anniversary.

[2] Ibid

[3] Ibid

How prophetic were Nehru's words when one looks at Asia today with a reasonable hope that the 21st century would be that of Asia.

Nehru was thus one of the primary architects of Asian regionalism and spokesman of Asian resurgence. He convened the second Asian conference in January 1949 in an endeavor 'to promote peace through the extension of freedom.' "It must be realised", said Nehru,"that both peace and freedom are indivisible". The conference specifically discussed the crisis created by the so-called 'police action' by Holland against the infant Indonesian Republic.

In the wake of the two Asian conferences at New Delhi, a large number of Asian nations became free. From our sub-continent this included India, Pakistan, Burma and Sri Lanka, all of which had moved out of the fold of the British Empire. Together with Indonesia, these nations came to be called Colombo Powers after the third Asian Conference held in 1954 at Colombo. The conference deliberated on issues such as peace in Indo–China, the recognition of the PRC by the UN and the freedom of Tunisia and Morocco.

At Colombo Nehru and other stalwarts of freedom in Asia soon extended their concept of regional solidarity beyond the frontiers of Asia. The five Colombo Powers sponsored an Afro–Asian Conference, held at Bandung from 18 to 24 April, 1955 where they were joined by 24 other delegations from countries of Asia and Africa. The basic thrust of the conference was to assert that the newly emerging nations of Asia and Africa wanted to be masters of their destiny and had a right to be consulted in matters affecting them. A consensus was reached in which "colonialism in all its manifestations" was condemned and a ten-point document was adopted, known as the Bandung Declaration. That included the five principles of Panchshila which had already been incorporated in a Sino-Indian Agreement on trade with Tibet signed a year earlier. Panchshila comprised respect for the sovereignty and territorial integrity of nations, non-aggression, non-interference in internal affairs, equality and mutual benefit, and peaceful co-existence. The need for the new nations of the world to remain aloof from the rising confrontation of the cold war between the 'East and the West' was also stressed. These principles were to become the bed-rock of the Nonaligned Movement launched by Nehru, Nasser and Tito at Brioni in 1956 and joined soon thereafter by Sukarno and Nkrumah. In course of time, NAM became the largest movement for peace and development in the post-world war era. Gradually more than a hundred countries came to subscribe to it including all those of South Asia.

It would thus be seen that the countries of South Asia had taken the lead in the late forties and early fifties of our century to give rise to a wave of regionalism in Asia and Africa with India playing a catalytic role under Nehru's stewardship. However, the pull towards regional solidarity so manifest at Colombo in 1954 among the countries of South Asia got dissipated in later years. Under the ascendancy of the army, Burma detached itself increasingly from regional and global initiatives emanating from the area. India and Pakistan got mired in bilateral conflicts and the gulf between Ceylon, now Sri Lanka, and India widened, much to the detriment of regional cooperation, on the ethnic issue of the treatment of Tamils in the island nation after the latter adopted the policy of 'Sinhala only'. Thus while the Treaty of Rome was putting broken pieces together in Western Europe and ASEAN had become a reality in South East Asia, and while even Africa and Latin America were forging regional organs to foster cooperation, the South Asian region, the beacon for regional solidarity, was splitting apart, quite paradoxically, and lending itself to outside interference and manipulation.

The Indian sub-continent, however, moved somewhat towards a climate of conciliation in the seventies after the emergence of Bangladesh as a sovereign and independent nation; the signing of the Simla Agreement between India and Pakistan and the re-establishment of full diplomatic relations between the two; the recognition of Bangladesh by Pakistan; the entry of the former into the U.N.; and the latter's entry into the Nonaligned Movement. Sheikh Mujibur Rehman gave vent to the new urge for peace and reconciliation in the sub-continent during his very first state visit to India after his return to Bangladesh from exile and assuming charge as Prime Minister of that country. On his arrival in Calcutta on 6 February 1972, he called for peace and stability in South Asia and declared :

> "Let there be be an end, once and for all, to the sterile policy of confrontation between neighbours. Let us not fritter away international resources but use them to lift the standard of living of our people."[4]

Sheikh Mujib gave the assurance that Bangladesh would not be found wanting in translating into reality the vision of South Asian Cooperation.[5]

South Asian Regional cooperation, however, did not take off during the life-time of Sheikh Mujibur Rehman. With his assassination in 1975, Indo–Bangladesh relations took a sudden plunge and did not look up again until the two countries signed a five year agreement in 1977 on the sharing of the Ganga waters during the military rule of Major General Zia-ur-Rehman in Bangladesh and the Janata interlude in India under the leadership of Shri Morarji Desai. The Ganga Waters Agreement marks a watershed in the movement towards regional cooperation in South Asia, even though the Agreement was of an interim character and ran into difficulties later. Thus far, Zia-ur-Rahman's policy thrust had been primarily anti-Indian and he had nursed his support base of reactionary communal elements, ultra-leftist pro-Chinese elements and pro-western elements with the distinct objective of containing the Indian 'hegemon'. However, Morarji Desai's soft attitude towards him encouraged him to think that it was possible to do business with India and to move in the direction of regional cooperation. Moreover, he surmised that regional cooperation would not only further the common weal but also help checkmate India's potential to dominate the region.

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[4] Foreignl Policy of Bangladesh—S.R. Chakravarty (Ed.), Har Anand Publication, New Delhi, p. 21.

[5] Ibid

For President Zia-ur-Rehman regional cooperation in South Asia was thus a double-edged weapon. Cooperation per se was desirable but it was also a way of trimming India's attitudes and hemming what the Chinese had propagandized as India's expansionist designs. He went about his task of establishing an organisation for South Asian Regional Cooperation quite systematically and with due caution, given the history of tensions in the region during the last three decades and the sensitivities of the states and the peoples involved. Between 1977 and 1980, he undertook a series of missions to South Asian States and attended a large number of international gatherings at which he sought to make himself known as the representative of a new political order in Bangladesh[6], from being secular and pro-Soviet in character to becoming pro-Islamic and pro-western. Simultaneously he explored possibilities of promoting regional cooperation. While the new political order he had authored in Bangladesh was often seen in India as basically anti-Indian, he was keen to project his image as that of a leader with a South Asian bias rather than an anti-Indian prejudice. He mooted the idea of forging a 'regional forum' with a view to hold periodical consultations among the countries of the region of South Asia on matters of mutual interest and possible cooperation in economic, social, cultural and other fields on a regional basis as may be mutually agreed upon.

In a letter to the Heads of Government in the region, President Zia-ur-Rahman briefly touched on the factors that prompted him to take the initiative for regional cooperation. He underlined the fact that while other regions had evolved institutional arrangements for consultations on matters of mutual interest and cooperation in the economic, social and cultural fields on a regional basis and had consequently benefitted immensely from such cooperation, the only region which did not have any such arrangements was South Asia which comprised one-fifth of the world.

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[6] Vernon L.B. Mendis : SAARC–Origins, Organisation and Prospects: Indian Ocean Centre for Peace Studies, Perth West Australia 1991, p.24.

President Rehman noted, however, that recent positive developments in the region had created a better climate of understanding. He felt that for the first time, there were distinct possibilities of regional cooperation from which all South Asian countries would stand to gain. He urged other Heads of Government in the region to make the most of the opportunity. In making his plea, the Bangladesh President was inspired not only by the example of Western Europe where countries inimical to each other historically had established the European Economic Community but also by attempts at regional cooperation among economically less developed countries in other parts of the world with varying degrees of success. Economic and technical cooperation on a regional basis had been accepted by developing countries as a necessary strategy within the framework of ECDC[7] and TCDC[8]. Regional Cooperation was an imperative necessity in South Asia not only to achieve socio-economic goals at a faster pace but also because it was only through regional cohesion that South Asia could hope to have an effective voice in international forums and play a role commensurate with its intrinsic global importance. Hithertofore, countries of the region had cooperated with one another both bilaterally and regionally under the umbrella of such organizations as the ESCAP, the Nonaligned Movement and the Commonwealth. These efforts had failed to fully exploit the vast potential of regional cooperation that existed and the consequential benefits it would bring, collectively and individually, to the countries of the region.

The President of Bangladesh was careful enough to state in his letter to the Heads of Government of South Asian states that the institutional arrangements he was proposing to promote economic, technical, scientific, social and cultural cooperation would strictly conform to the principles of nonalignment to which all the countries of the region were firmly committed and that it was not his intention that it should take the form of any new bloc or alliance. However, it was necessary that the seven countries of South Asia took advantage of the many common values that were rooted in their social, ethnic, cultural and historic traditions. The experiences in regional cooperation elsewhere in the world indicated the possibility of such cooperation inspite of bilateral problems existing among the countries of the region. As regional cooperation grew, it also tended to generate a climate of mutual understanding, reducing the scope for such disputes to occur and creating ground for their successful resolution[9].

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[7] Economic Cooperation among the Developing Countries

[8] Technical Cooperation among the Developing Countries

A paper circulated to other South Asian Governments by the Bangladesh Foreign Office in November 1980 made it amply clear that "Regional cooperation in South Asia as elsewhere in the world should in no way intrude on the existing bilateral and multilateral relations of the countries of the region; nor does the proposal envisage either the substitution or the disruption of existing cooperation between or amongst the countries of the region in other forums." The paper asserted, however, that in proposing the summit to explore the possibilities of establishing a framework for regional cooperation, President Zia-ur-Rehman was conscious of the fact that it would be, indeed, a historic event, 'given the legacies of the past'. Barriers, both historical and emotional, would have to be scaled and lingering suspicion and distrust yield place to a renewed spirit of understanding and goodwill. A meeting at the summit level would be the most appropriate forum embarking on a new and challenging venture envisaged in the proposal.

The responses from various South Asian capitals to the letter of President Rehman were not only positive but warm. While all the six countries addressed by him viz. Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka, endorsed the idea of holding the summit, the consensus was 'to proceed on the basis of careful and adequate preparations so as to ensure a fruitful outcome,' given the history of the region. The preliminary exchanges that followed brought out clearly that regional cooperation should, on the one hand, reflect the spirit of mutual trust, understanding and the political aspirations existing among the countries of the region, and on the other, be based on respect for the principles of sovereign equality, territorial integrity, non-interference in internal affairs of other nations and mutual benefit[10], that is, on the lines of Panchshila. Taking these views into account, the Bangladesh Foreign Office in its working paper suggested two preparatory meetings for the summit—a meeting of the Foreign Secretaries of the seven South Asian countries to be followed by that of their Foreign Ministers. The paper proposed that the recommendations of Foreign Ministers should include the following:

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[9] From SARC to SAARC : Milestones in the Promotion of Regional Cooperation in South-Asia published by SAARC HQs, Kathmandu, Vol. I, p. 11–4.

[10] Milestones In the Evolution of Regional Cooperation In South Asia (1980–88) Vol. I, SAARC Secretariat, Kathmandu

(a) Feasibility of regional cooperation and policy recommendations on the general approach to such cooperation.
(b) Possible areas of such cooperation.
(c) The framework for regional cooperation.
(d) Agenda for the Summit Meeting.
(e) Finalisation of the date and venue of the summit meeting.

These meetings were to lay the ground for holding the first ever South Asian Summit proposed by President Zia-ur-Rehman in his letter to other Heads of State/Government in the region.

SARC IS BORN

On 21 April 1981, the foreign Secretaries of Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka met in Colombo for three days in pursuance of President Zia-ur-Rehman's initiative with the specific objective of considering the possibilities of establishing regional cooperation among the countries of South Asia and if possible, to provide it an institutional framework. They had in hand a draft framework provided by the Bangladesh foreign office which suggested a few alternatives to name the organisation such as SAAC (South Asian Association for Cooperation), ASA (Association of South Asia), ASAC (Association of South Asia for Cooperation) and OSAS (Organisation of South Asian States). The Bangladesh draft proposed that the seven South Asian leaders should meet at the Summit level and adopt a declaration that would provide the basic guidelines for the activities of the proposed organisation and embody its aims and objectives, purposes and principles, and the mode of its operation. The draft suggested that the membership of the organisation should be open to all states in the South Asian Region subscribing to the aims and objectives embodied in the Declaration. Essentially these meant promoting active cooperation among countries of the region on matters of common interest in the economic, social, cultural, technical and scientific as well as in such other fields as may be agreed upon.

The great merit of the Bangladesh paper lay in its emphasis on practical aspects of founding an organisation for regional cooperation in South Asia, including its structure and functions, thus going well beyond generalities. For example, it specifically proposed that the Heads of Government of member states shall meet once annually and may meet as often as necessary to give directions, provide guidelines, and review the activities of the proposed organisation. It also suggested that the chairmanship of the organisation shall rotate among the member countries in an alphabetical order for a term of one year commencing from the date of the formation of the organisation. Naturally the Summits were to constitute the highest authority of the organisation. The Bangladesh paper also proposed that the venue of the Summit and ministerial meetings should be the country acting as the current chairman.

Next to the Summit, the Bangladesh paper on South Asian Regional Cooperation proposed constituting a Council of Foreign Ministers of member states as the principal functional organ of the organisation. It was proposed that in that capacity, the council should finalize the recommendations for submission to the Summit, implement the decisions of the Summit meeting, coordinate various activities of the organisation, approve its budget and decide on contributions by member states. The paper proposed that the Council should meet as often as necessary but at least once a year and establish committees, organs, institutions, agencies etc. as may be required from time to time, under the direction and guidelines of the Summit.

Finally the Bangladesh paper on regional cooperation in South Asia proposed the establishment of a Secretariat to be headed by a Secretary General who would be appointed by the Heads of Government of member states on the recommendation of the Council of Foreign Ministers. The Secretary General would function as the principal executive of the organisation and perform functions entrusted to him by the Council.

At their meeting in Colombo in April 1981, the foreign Secretaries of the seven South Asian countries agreed to treat the comprehensive Bangladesh paper as the basis for their discussions. They were conscious of the fact that this was the very first occasion on which they were meeting together in a South Asian regional context. They stressed the historic significance of the meeting as a manifestation of the will of the seven countries to cooperate regionally. They readily agreed that regional cooperation in South Asia was not only beneficial and therefore desirable but necessary. However, they came to the conclusion that one could not start the process of regional cooperation headlong but that there was need to proceed, step by step, on the basis of careful and adequate preparation for an early realization of such cooperation.

The first preparatory meeting of the foreign Secretaries of South Asian countries held in the context of regional cooperation in Colombo was addressed by Foreign Minister A.C.S. Hameed of Sri Lanka. He stressed that regional cooperation will enable countries to derive strength from each other, whether by way of technology, improved human resources or mutual investment. That was not very far to see. What he stressed even more importantly was the objective of developing collective self-reliance as a parallel strategy to global economic cooperation.[11]

Hameed exhorted the seven Foreign Secretaries to work constructively for the establishment of a framework for regional cooperation in South Asia. By the beginning of the eighties an era of global economic cooperation was already dawning and entities like European Economic community and the Association of South East Asian Nations were moving parallelly on the twin tracks of global and regional integration. It was time that South Asia took fresh steps in that direction in order not to be bypassed by the new tide of history.

The Foreign Secretaries, therefore, took to their task of forging a framework for regional cooperation in South Asia as a very timely exercise and with a deep sense of responsibility. After two days of deliberations held in a very cooperative and friendly ambience, they came to the following conclusions which marked the basis of future cooperation in the region:

1. Decisions should be taken on the basis of unanimity. That was to ensure that no country in the region would have a domineering voice. It meant that in decision-making all the seven countries would have the same weight, be it India the largest or Maldives, the smallest in size and population. It took care of India's apprehensions, too, that her neighbours might gang up against her and impose decisions upon her by a majority vote.
2. Bilateral and contentious issues should be excluded from the deliberatins. This was putting the lessons of history in the forefront. History had bestowed on these seven countries a common heritage in terms of the roots of their civilization. However, recent decades before and after the partition of India and the subcontinental wars of 1947–48, 1965 and 1971 had left their mark in terms of bitter memories. They had also left behind issues that would take time to resolve and the regional process could not be made hostage to them.
3. Regional cooperation was not intended to be a substitute for bilateral and multilateral cooperation but should complement them. It should also not be inconsistent with bilateral and multilateral obligations of member States.
4. Regional cooperation should be based on respect for the principles of sovereign equality, territorial integrity, political independence, non-interference in internal affairs of other states and mutual benefit.

As members of the Nonaligned Movement, all the seven countries of the region had subscribed to the five principles of peaceful co-existence viz. sovereignty and territorial integrity, non aggression, non-interference, equality and mutual benefit. The five principles elected by the foreign Secretaries to promote regional cooperation, viz. sovereign equality, territorial integrity, political independence, non-intereference in the internal affairs of other states and mutual benefit were akin to the five principles of Peaceful existence but not exactly the same. Out of Panchshila of the Nonaligned Movement, the Foreign Secretaries combined the principles of (1) sovereignty and territorial integrity and (2) equality into a) sovereign equality and b) territorial integrity. In a region of huge disparities among nations in terms of their size and economic and military strength, the principle of sovereign equality had to have the pride of place. A renewed commitment to territorial integrity signified that no country could follow a course of territorial agrandisement in the region and that the territory of even the smallest of them would remain inviolate. The mention of the principle of non-aggression was omitted since the commitment to territorial integrity of member States would automatically imply that. Moreover, they were developing a framework of regional cooperation, and aggression against a member state would strike at the very root of that cooperation. Instead of non-aggression which was implied in the commitment to each other's territorial integrity, one notices that they chose to include, another principle, viz., political independence since their political structures were different, ranging from secular and liberal democracies of the parliamentary variety and the presidential form of government to monarchical, military or pseudo-military systems. This meant that ideological differences would not be allowed to mar regional cooperation. The principle of political independence combined with the commitment to non-interference in the internal affairs of each other was meant to promote harmonious relationships in the midst of political and socio-economic diversities. Non-interference in the internal affairs of the states of the region by any member state was a principle of great importance since political, ethnic or economic considerations in the subcontinent could provide sharp motivations for such interference to the detriment of regional cooperation. It could ruin that process by destroying trust and generating conflict. The last of the principles enunciated i.e., of mutual benefit, in any event, had to be the bedrock of any scheme of regional cooperation.

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[11] From SARC to SAARC : SAARC HQs, Kathmandu Vol. 4, p. 9.

These decisions comprised the ideological framework for regional cooperation in South Asia. On the practical front the Foreign Secretaries of the seven participating countries identified five areas for mutually beneficial regional cooperation, namely, (1) Agriculture, (2) Rural Development, (3) Telecommunication,

(4) Meteorology, and (5) Health and Population Activities. Bangladesh, Sri Lanka, Pakistan, India and Nepal were designated as coordinator country respectively for them. It was necessary to move as quickly as possible to the specifics of regional cooperation. The Foreign Secretaries, therefore, decided straightway to establish Study Groups covering each of these areas. Their task would be to (1) review existing cooperative arrangements in the region (2) determine the potential and scope of further regional cooperation including its benefits and costs and (3) draw up a work programme. The work programme was to incorporate

(a) Ways and means of establishing and strengthening regional cooperation.
(b) Specific proposals/programmes in each area and
(c) Arrangement for monitoring the work programme.

The Foreign Secretaries also agreed to set up a Committee of the Whole comprising Senior officials of the seven countries to identify other areas of possible cooperation with Sri Lanka as Coordinator.

The Committee of the Whole held its first meeting in Colombo from 31 August to 2 September 1981 and unanimously identified new areas to be added to the five already identified by the Foreign Secretaries at their Colombo meeting. These new areas were (1) Education and Training, (2) Cultural Exchanges, (3) Scientific and Technological cooperation including cooperation in the field of New and Renewable resources of Energy (4) Tourism (5) Transport (6) Shipping (7) Monetary cooperation (8) Cooperation in International Economic Negotiations with multilateral organisations (9) Information and Mass communication (10) Environment including Marine Pollution control (11) Postal Services as part of Telecommunications (12) Coordination of Policies on Manpower Export and (13) Promotion of cooperation among Regional Planners, Nongovernmental organisations, Academic, Research and other institutions. These recommendations were largely based on the working paper of Bangladesh circulated in November 1980 and a paper specially prepared by India for the meeting of the Committee of the Whole.

Within a year of the Bangladesh Foreign office circulating their draft framework for Regional Cooperation in South Asia, the idea had already translated itself, to a tangible extent, into a process for promoting regional cooperation. In less than six months of their first meeting in April in Colombo, the Foreign Secretaries met in Kathmandu again from 24 November 1981. So far the going had been so good that they felt encouraged to convert the five Study Groups they had established in April into Working Groups charged to draw up a comprehensive programme of action for cooperation in both the immediate and the long term. Components of the immediate action programme were categorised as follows :

(a) Exchange of data and information
(b) Exchange of experts, training facilities, scholarships etc.
(c) Organisation of seminars, workshops etc. on a regional basis.

As far as the long-term programme of action was concerned, the working groups were advised to concentrate their endeavours on :

(a) Assessment of needs and resources
(b) Preparation of specific projects of a regional nature, and
(c) Modalities for financing the projects.

The Foreign Secretaries also selected three other areas out of the thirteen recommended by the Committee of the whole, viz., Transport with Maldives as Coordinator, Postal Services with Bhutan as Coordinator and Scientific & Technical cooperation with Pakistan as Coordinator.

In his keynote address in Kathmandu, Nepal's Prime Minister and Foreign Minister, Mr. Surya Bahadur Thapa, told the Foreign Secretaries that the concept of regional cooperation was a logical response to the pressing problems of development and the interdependent nature of the contemporary world. He pinpointed their attention to the widespread poverty in the countries of the region and the need to evolve a common approach to fight the battle against it. The Nepalese Prime Minister also urged them to minimise the adverse impact of external factors on their development efforts. This was demonstrative of a new trend in South Asia. Countries, both big and small in the region, were now willing to work for common developmental goals collectively, emulating other areas of the world where successful regional cooperation was already yielding handsome results by setting aside bitter legacies of history as rival nation states. Prime Minister Thapa rightly called regional cooperation a common goal to meet the growing challenges of peace and development facing countries of South Asia' and prompted the Foreign Secretaries to direct their efforts towards its early realization. The short and the long term programmes that the Foreign Secretaries sought to develop at Kathmandu were an immediate outcome of those efforts.

By the time the Foreign Secretaries of the Seven South Asian countries held their third meeting from 7 to 9 August, 1982, in Islambad, eight areas for regional cooperation had already been identified, five of them entrusted to Working Groups and three to Study Groups. In his inaugural address, Sahabzada Yakub Khan, the then Foreign Minister of Pakistan, expressed satisfaction over the progress already made. He underlined the equal stake of all the countries of the region in the preservation of peace and security and the promotion of mutual confidence and cooperation as a means to realise the aspirations of their peoples for more rapid economic and social progress. It was evident from the tone and genre of the Pak Foreign Minister that political differences among the countries of the region were not to matter all that much. There was a new fervor for sustaining the momentum that deliberations at the level of Foreign Secretaries had acquired for converting regional cooperation into a reality. The Pakistan Foreign Minister, however, stressed the need for ensuring an equitable distribution of the benefits of cooperation among the countries of the region.

With confidence running high, the Foreign Secretaries of the seven South Asian countries noted at their Islamabad meeting that in less than two years the process of regional cooperation had acquired an 'irreversible momentum'. They acted with determination to accelerate the pace further. The five working groups on Agriculture, Rural Development, Telecommunications, Meteorology, Health and Population Activities had already come out with recommendations on programmes of cooperation which was promptly endorsed by them for implementation. They also established one study Group on Sports, Arts and Culture and authorised meetings of the working groups on Transport, Postal Services and Scientific and Technological Cooperation. This was in additon to meetings of the original five groups to facilitate the task entrusted to the Committee of the Whole to put together an integrated programme of Action covering these vital areas of development. The Committee of the Whole comprising senior officials of the seven countries was to be assisted by the Chairman of the Eight Working Groups and was mandated to meet no later than mid-January, 1983. It was decided that the Chairmanship of each working group would be for a period of two years and rotate in alphabetical order countrywise. The Foreign Secretaries decided to meet again in March 1983 and confidently recommended a meeting of Foreign Ministers of South Asian countries between May and September, 1983 to formally initiate South Asian Regional Cooperation (SARC).

The Islamabad meeting of the Foreign Secretaries and the previous two in Colombo and Kathmandu were calculated to prepare the ground for establishing South Asian Regional Cooperation on an institutional basis. It was time now to prepare for the Ministerial Meeting. The Committee of the Whole met from 10 to 13 January, 1983 in Colombo, as mandated, with Sri Lanka as Chairman. The Eight Working Groups had already met in their respective coordination countries and submitted their recommendations. Networking for South Asian Regional Cooperation had started functioning at the national and sectoral levels. At the national level focal points of coordination had been established in the respective Ministries of Foreign Affairs of the seven countries for overall coordination and monitoring. At the sectoral level, focal points were being established in various Ministries/ national institutions/apex organisations to facilitate the task assigned to the Working Groups. The Committee of the Whole proposed that the working groups should be redesignated as TECHNICAL COMMITTEES. It also recommended the setting-up of a STANDING COMMITTEE at the regional level with the following terms of reference.

(a) Approval of projects/programmes including their modalities of financing.
(b) Determination of intersectoral priorities and overall coordination of programmes of action.
(c) Mobilization of regional and external resources
(d) Review of progress on implementation of sectoral programmes of action
(e) Identification of new areas of cooperation based on appropriate studies

The STANDING COMMITTEE was thus to be the fulcrum of the organisational activity for promoting regional cooperation in South Asia. The TECHNICAL COMMITTEES, already eight in number, were to be the primary organs to assist the STANDING COMMITTEE in playing its central role. The Committee of the Whole proposed the following for its terms of reference.

(a) Determination of the potential and the scope of regional cooperation in agreed areas.
(b) Formulation of programmes of action and the preparation of projects.
(c) Determination of financial implications of the sectoral programme of action.

These could be achieved by holding (1) meetings of Heads of National Technical Agencies (2) Meetings of Experts in Specific fields and (3) Contacts among recognised centres of excellence in the region.

Further it was envisaged that the recommendations of various Technical Committees together, duly approved by the Standing Committee, would constitute the INTEGRATED PROGRAMME OF ACTION (IPA). The Standing Committee would refer matters to the Ministerial level for decisions on policy guidelines and authorization of modalities for financing.

One very important measure proposed by the Committee of the Whole related to projects involving more than two countries but not all the countries of the region. It was proposed that in all such cases Action Committees may be set up for implementation with the prior approval of the Foreign Secretaries. This modality is critically important for Sub-regional projects where all seven committees may not be involved or concerned.

It would thus be seen that the work of the Committee of the whole had an important bearing on the institutionalisation of the process of South Asian Regional Cooperation. As per its mandate, it not only specifically suggested the institutional framework for adoption at the level of Foreign Secretaries and Foreign Ministers but also 'Arrangements for Financing.' It agreed that the fundamental premise of financing arrangements should be the unfelttered discretion of member Governments to determine the level and manner of their financial allocations for regional activity. It, therefore, did not venture to prescribe a rigid or strict formula for financing the entire gamut of activities that regional cooperation would involve. The asymmetry in levels of development in each South Asian state in various sectors as well as in the relative size of their fiscal resources had its own compulsions in this regard. The Committee, however, suggested some 'Illustrative fiscal procedures' for consideration by Governments as follows :

(a) Regular allocations for regional cooperation under sectoral Ministries in the national budget.
(b) Ad hoc allocation
(c) Assistance to one another through such mechanisms as scholarships, concessionary air-fares and accommodation etc.

In this regard the Technical Committees were to play a significant role. For every project/programme recommended by them, the financing modalities had to be spelt out by them. The committee of the Whole, however, proposed the creation of a regional format in the fullness of time as regional collaboration broadened and expanded.

The Committee of the Whole had put together an elaborate Integrated Programme of Action based on the recommendation of the eight working groups and this needed to be accepted and launched soon. At their Dhaka meeting in March, 1983 the fourth of its kind, the Foreign Secretaries endorsed it and suggested that it be launched by the Foreign Ministers of the seven South Asian countries that very year. While addressing the Foreign Secretaries on the occasion, Foreign Minister Shams-ud-Doha of Bangladesh made a strong plea for moving from the conceptual stage to consolidation. His stress was on improving the quality of life of the people of the region and securing 'lasting peace and solidarity in the region' through that process. The preparatory phase now over, the stage of effective implementation should commence with the centre of gravity shifting to the political level. The Foreign Secretaries, therefore, recommended a meeting of the Foreign

Ministers for the purpose in July–August that year. They also approved of India being the Coordinator for the Study Group on Sports, Arts and Culture.

The Foreign Secretaries of Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka held a preparatory meeting in New Delhi on 28 and 29 July 1983 before the launching of the South Asian Regional Cooperation next month by the Foreign Ministers of these countries. Shri M. Rasgotra, Foreign Secretary of India, was in the chair. He had played a significant role in persuading Prime Minister Indira Gandhi of the utility of the regional arrangement being envisaged and allayed her apprehensions that it might become a tool for india's neighbours to flog the giant in their midst. Shri Narasimha Rao, Foreign Minister of India at the time, was of the view that in course of time the regional body could help forge trust and move the countries of the sub-continent to advance towards genuine cooperation while their bilateral problems awaited solution. If there were any risks involved, India could take them in its stride. There was a new surge of confidence in India after the Nonaligned Summit held in New Delhi in March that year which was chaired by Smt. Indira Gandhi and at which all the Executive Heads of South Asian states were present. Smt. Indira Gandhi, therefore, agreed to the recommendation made by the Foreign Secretaries that the institution of South Asian Regional Cooperation (SARC) be launched immediately.

Accordingly, the seven Foreign Ministers met in New Delhi on 1 and 2 August 1983. These were A.R. Shams-ud-Doha from Bangladesh, Lyonpo Dawa Tsering from Bhutan, P.V. Narasimha Rao from India, Fathulla Jameel from Maldives, Padma Bahadur Khatri from Nepal, Sahabzada Yakub Khan from Pakistan and A.C.S. Hameed from Sri Lanka. Their meeting was inaugurated by Smt. Indira Gandhi, Prime Minister of India. In her inaugural address she described the Ministerial meeting as an important step at a political level in the development of mutual relations in South Asia. India's Prime Minister expressed the hope that cooperation among the seven countries would increase their capacity to withstand pressures, enable them to move ahead to a future of freedom, peace and prosperity and give a strong impetus to closer friendship and greater stability in the region.

At the conclusion of their meeting, the Foreign Ministers signed a historic document viz. the Declaration on South Asian Regional Cooperation, setting out the objectives and principles of such cooperation and incorporating provisions regarding institutional and financial arrangements. (Text attached). The declaration was based on the draft evolved by the Foreign Secretaries in their preparatory meeting beforehand and was a summing up of the guidelines developed by them over the last two years during their meetings in Colombo, Kathmandu, Islamabad, Dhaka and New Delhi. South Asian Regional Cooperation now acquired formal trappings. SARC as an institution had been born.

The acronym SARC was now gradually getting etched into the South Asian consciousness. The SARC Declaration of August 1983 authorised the setting up of a standing committee consisting of the seven Foreign Secretaries to coordinate and monitor the entire gamut of SARC activities and Technical Committees to draw up action plans and oversee their implementation. These were nine in number covering Agriculture, Rural Development, Meteorology, Telecommunications, Scientific and Technological Cooperation, Health & Population Activities, Transport, Postal Services, and Sports, Arts & Culture. To finance various SARC activities the seven countries announced their contributions for the year 1983–84 as follows:

Bangladesh – Taka 5 million
Bhutan – Ngultrum 500,000
India – Rs. 5 million
Maldives – MRF 84,000
Nepal – Rs. 1.5 million
Pakistan – Rs. 3.6 million and
Rs. 400,000 for scholarships

The SARC Declaration provided that each Technical Committee shall make recommendations for the apportionment of the costs for implementing the programmes proposed by it, taking into account, inter alia, the following guidelines:

(a) Except to the extent otherwise agreed, the cost of travel and subsistence for participants in seminars, workshops and training and other programmes shall be met by their respective governments and the cost of organising them by the host country or apportioned among participants in proportion to the facilities availed of or financed from external sources.

(b) Except to the extent otherwise agreed, the cost of subsistence of experts shall be met by the receiving countries and the cost of travel and salary of the expert may be paid for by the sending countries or shared among participating countries or financed from external sources.

In order to ensure that SARC activities did not impose any financial burden on any participating country, para 15 of the Declaration made it absolutely clear that the participation of each country in the financial costs of the programme shall be voluntary. It also provided that in the case of projects and programmes for which sufficient financial resources could not be mobilised within the region, recourse might be had to external assistance. Already offers of assistance had been received from EEC and ITU for activities connected with regional cooperation in South Asia. The Foreign Secretaries welcomed that. Their deliberations were not only receiving recognition in the region but making an impression abroad. The Foreign Secretaries, in their Preparatory Meeting in July, 1983, had recommended that the ITU offer be uilized as follows:

(a) Study fellowships for training in developed countries in Software for Telecommunication systems and data communication networks, and

(b) Short term international expert services to support the needs of the countries of the region in new areas of technology including systems software and data network. As coordinator for Telecommunications, the Government of Pakistan was requested to finalise the details in consultation with ITO and other countries of the region.

The Foreign Ministers accepted these recommendations.

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ANNEXURE

Declaration on South Asian Regional Cooperation (New Delhi—August, 1983)

The Foreign Ministers of Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

1. **Conscious** of the common problems and aspirations of the peoples of South Asia and the need to accelerate their economic and social development through regional cooperation;
2. **Convinced** that regional cooperation in South Asia is beneficial, desirable and necessary and that it will help promote the welfare and improve the quality of life of the peoples of the region;
3. **Convinced** further that increased cooperation, contacts and exchanges among the countries of the region will contribute to the promotion of friendship, amity and understanding among their peoples;
4. **Noting** that regional cooperation should be based on and in turn contribute to mutual trust, understanding and sympathetic appreciation of the national aspirations of the countries of the region;
5. **Mindful** of the Declaration on collective self-reliance among Non-aligned and other developing countries adopted at the Seventh Non-aligned Summit held at New Delhi which called upon all countries concerned to mobilise all necessary resources and deploy the requisite means in support of sub-regional, regional and inter-regional cooperation among non-aligned and other developing countries.
6. **Affirming** the determination of their respective governments to make joint efforts for promoting such cooperation; DO HEREBY DECLARE the collective resolve of their governments to pursue actively South Asian Regional Cooperation with the following objectives, principles, institutional and financial arrangements and to launch an Integrated Programme of Action.

AND TO THIS END have agreed as follows:

I. OBJECTIVES AND PRINCIPLES

Objectives

1. The objectives of South Asian Regional Co-operation shall be:
   - (a) to promote the welfare of the peoples of South Asia and to improve their quality of life;
   - (b) to accelerate economic growth, social progress and cultural

development in the region and to provide all individuals the opportunity to live in dignity and to realise their full potential;
- (c) to promote and strengthen collective self-reliance among the countries of South Asia;
- (d) to contribute to mutual trust, understanding and appreciation of one another's problems;
- (e) to promote active collaboration and mutual assistance in the economic, social, cultural, technical and scientific fields;
- (f) to strengthen cooperation with other developing countries;
- (g) to strengthen cooperation among themselves in international forums on matters of common interest; and
- (h) to cooperate with international and regional organisations with similar aims and purposes.

Principles

2. Such cooperation shall be based on respect for the principles of sovereign equality, territorial integrity, political independence, noninterference in internal affairs of other States and mutual benefit.
3. Such cooperation shall not be a substitute for bilateral and multilateral cooperation but shall complement them.
4. Such cooperation shall not be inconsistent with bilateral and multilateral obligations.

II. INSTITUTIONAL ARRANGEMENTS

Technical Committees

5. A Technical committee, open to participation of all countries of the region, shall be responsible for the implementation, coordination and monitoring of the programmes in each area of cooperation, with the following terms of reference:
   - (a) determination of the potential and the scope of regional cooperation in agreed areas;
   - (b) formulation of programmes of action and preparation of projects;
   - (c) determination of financial implications of the sectoral Programme of Action;
   - (d) formulation of recommendations regarding the apportionment of costs;
   - (e) implementation and coordination of sectoral Programmes of Action;
   - (f) monitoring of progress of implementation.
6. The Technical Committee shall submit periodic reports to the Standing Committee.
7. The Chairmanship of the Technical Committees shall rotate among the countries of the region in alphabetical order, every two years.
   - (a) Meetings of Heads of National Technical agencies;

(b) Meetings of experts in specific fields;

(c) Contacts amongst recognised centres of excellence in the region. These centres may be reinforced and extended as considered feasible and desirable for the optimal use of the resources of the region for meeting the requirements of the cooperation programme.

Action Committees

9. In the case of projects involving more than two countries but not all the countries of the region, Action Committees comprising the countries concerned may be set up for their implementation, with the prior approval of the Standing Committee.

Standing Committee

10. A Standing Committee shall be established at the level of Foreign Secretaries for the coordination and monitoring of the Programme with the following terms of reference:
    (a) approval of projects and programmes, and the modalities of their financing:
    (b) determination of inter-sectoral priorities and overall coordination of Programmes of Action;
    (c) mobilisation of regional and external resources;
    (d) identification of new areas of cooperation based on appropriate studies.
11. The Standing Committee shall meet as often as is deemed necessary but at least once a year.
12. The Standing Committee shall make a reference, as and when necessary, to the Foreign/Ministers for decisions on policy guidelines, both in respect of the approval of project/ programmes as well as the authorization of modalities for financing. The Standing Committee shall provide necessary support services for meetings of Ministers.

General Provisions

13. Decisions at all levels shall be taken on the basis of unanimity.
14. Bilateral and contentious issues shall be excluded from the deliberations.

III. FINANCIAL ARRANGEMENTS

15. The participation of each country in the financial costs of the Programme shall be voluntary.
16. Each Technical Committee shall make recommendations for the apportionment of the costs for implementing the programmes proposed by it, taking into account, inter-alia, the following guidelines:
    (a) Except to the extent otherwise agreed, the cost of travel and subsistence for participants in seminars, workshops and training and other programmes shall be met by their respective governments and the cost of organising seminars, workshops and training and other programmes may be met by the host country or apportioned among participants in proportion to the facilities availed of or

financed from external sources;

(b) Except to the extent otherwise agreed, the cost of subsistence for experts shall be met by the receiving countries and the cost of travel and or salary of the expert may be paid for by the sending countries or shared among participating countries or financed from external sources;

(c) Other costs, including the costs of preparation of studies, shall be shared on a mutually agreed basis;

(d) In the case of long-term projects, the Technical Committee concerned shall estimate the costs involved and shall submit recommendations to the Standing Committee on the modalities for meeting the costs.

17. In the case of projects and programmes for which sufficient financial resources cannot be mobilised within the region, recource may be had to external assistance from appropriate sources, with the approval of the Standing Committee.

DONE in New Delhi on the Second Day of August in the year Nineteen Hundred and Eighty-three.

A.R SHAMS-UD DOHA
FOR BANGLADESH

LYONPO DAWA TSERING
FOR BHUTAN

P.V. NARASIMHA RAO
FOR INDIA

FATHULLA JAMEEL
FOR MALDIVES

PADMA BAHADUR KHATRI
FOR NEPAL

SAHABZADA YAQUB KHAN
FOR PAKISTAN

A.C.S. HAMEED
FOR SRI LANKA

SARC BECOMES SAARC

From SARC to SAARC, from the South Asian Regional Cooperation set up by the Foreign Ministers of the seven countries of the region in August 1983 to the establishment of the South Asian Association of Regional Cooperation by the Heads of State/ Government of the seven countries of the region on 8 December 1985 at Dhaka was but a short step and yet an important leap forward. For the first time in history, the President of Bangladesh, the King of Bhutan, the Prime Minister of India, the President of Maldives, the King of Nepal, the President of Pakistan and the President of Sri Lanka met, on 7 December 1985, in a South Asian capital, to lay the foundation of a new tomorrow. In that new dawn, the turmoil and trauma of the previous decades and of past tensions seemed to melt away. After setting their seals and signatures on the SAARC Charter, they underlined the historic significance of their first ever South Asian summit in their Declaration of 8 December, 1985. They considered that meeting to be a tangible manifestation of their determination to cooperate regionally and to work together towards finding solutions for their common problems in a spirit of friendship, trust and mutual understanding.

The seven leaders of South Asia acknowledged that their countries constituted one-fifth of humanity. They were conscious, too, that their people faced formidable challenges posed by poverty, unemployment, underdevelopment and low levels of production. They knew that the enormous pressure of population on their respective territories was further compounded by some of the adverse legacies of a long past including the ones of colonial exploitation for the last two centuries. Nevertheless, they felt that their countries were bound by many common values, rooted in their social, ethnic, cultural and historical traditions. They realised that these could constitute the bedrock for regional cooperation. In their view, regional cooperation provided a logical response to the problems encountered by their teeming humanity. As the Dhaka Declaration stated, they were conscious of their individual and regional strengths, their potentials as a huge market, their substantial human and natural resources and the complementaries of their economies. They were confident that with effective regional cooperation they could make maximum use of these capacities for the benefit of their peoples, accelerate the pace of their economic development and enhance their national and collective self-reliance. The Governments of the seven countries in the region had realised the imperative for regional cooperation. The primary focus of the SAARC countries was on improving the quality of life of the people. They felt that they could do so much better collectively.

The process of development through regional cooperation initiated in August, 1983 by the SARC Foreign Ministers received a boost with the Summit of the seven Heads of States/Government in Dhaka and the conversion of SARC into South Asian Association For Regional Cooperation with a charter of its own. However, outside the region, the international political scene had been deteriorating particularly for the developing countries. There had been an unprecedented escallation of the arms race, especially in the nuclear field between the then Soviet Union and the United States and mankind was facing a threat of self-extinction with the cold war having touched its peak. Until Gorbachev arrived on the Soviet scene with his 'perestroica' and 'glasnost' which changed the old order both in the Soviet Union and internationally, the international environment for developing countries had been very adverse.

The seven South Asian leaders welcomed the Reagan-Gorbachev summit in Geneva held earlier that year. However, they expressed deep concern at the crisis that was enveloping the global economy. They underscored the fact that deteriorating economic and social conditions had seriously retarded development prospects in South Asia as in other developing countries. These had included sharply falling commodity prices, deterioration in terms of trade, intensification of protectionist measures, spiralling debt burden, and a decline in the flow of external resources, specially concessional assistance. The seven South Asian leaders expressed concern at the diminishing capacity of international financial and technical institutions to respond effectively to the needs of the disadvantaged and poor countries like theirs. The multilateral spirit had begun to fail and falter. South Asia was as much a victim of the structural imbalances and inequities inherent in the prevailing international economic order as other developing regions of the world.

Between The First And The Eighth SAARC Summit

As the Heads of State/Government of Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka met in Dhaka on 7 December 1985, the history of South Asia turned a new leaf. It was as though a vast new frontier was opening up to the countries of the region for cooperative developments. Merely 14 years ago that very capital had been the scene of a fratricidal war in the region. It had led to the emergence of an independent Bangladesh, but it was reminiscent of the first partition of the sub-continent in 1947 which had carved out an independent Pakistan. On both occasions independence for one nation had meant fragmentation for another. The jubilation on the part of one and the trauma for the other had given birth to seemingly irreconcilable differences. However, on 7 December 1985, King Jigme Singye Wangchuk of Bhutan, King Birendra Bir Bikram Shah Dev of Nepal, President Ershad of Bangladesh, President Gayoom of Maldives, President Zia-ul-Haq of Pakistan, President Jayewardene of Sri Lanka and Prime Minister Rajiv Gandhi of India had joined together in a genuine effort to leave the forces of regional disintegration behind and to foster the forces of cooperation. In a historic moment of great farsight and statesmanship, they laid the foundation of the South Asian Association for Regional Cooperation.

In laying that foundation, the seven leaders of South Asia were moved by the desire to promote peace, stability, amity and progress in the region. That was to be achieved through strict adherence to the principles of the U.N. Charter and non-alignment, particularly respect for the principles of sovereign equality, territorial integrity, national independence, non-use of force, non-interference in the internal affairs of the other states and peaceful settlement of all disputes. The founders of SAARC were conscious that in an increasingly interdependent world, the objectives of peace, freedom, social justice and economic prosperity were best achieved by fostering mutual understanding, good neighbourly relations and meaningful cooperation among the member states. They recognised that these states were bound by ties of history and culture. The accent, therefore, was to be on their common bonds rather than mutual differences; on convergence rather than divergence, and on cooperation rather than conflict. They were aware, too, of 'common problems, interests and aspirations' of the peoples of South Asia and they called for 'joint action' to solve them. They were convinced that regional cooperation among the countries of South Asia was not only mutually beneficial but desirable and necessary for promoting the welfare and improving the quality of life of the peoples of the region. They had absolutely no doubt that economic, social and technical cooperation among their countries would contribute significantly to national and collective self-reliance. They recognised, too, that increased cooperation, contacts and exchanges among the countries of the region would pay handsome dividends in promoting friendship and cooperation among their people.

While the SAARC Character clearly spells out the grand vision of its founding fathers, it combines that with a dose of realism. Cooperation within the framework of the Association is not to be a substitute for bilateral and multilateral cooperation but is meant to compliment them. Such cooperation, therefore, is not to be inconsistent with bilateral obligations of member states. SAARC is not conceived as a super-state but an Association based on the principles of sovereign equality, territorial integrity and political independence of its member states. Each of them is expected to strictly abide by the principle of non-interference in each other's internal affairs; and none of them is to seek unilateral advantage but is to intensify regional cooperation for mutual benefit. SAARC also recognizes the existence of contentious bilateral issues between its member states, some of them deep-rooted and some of recent vintage but powerful enough to cause bilateral turbulence. In order that they may not cast their shadow on regional cooperation or overwhelm that process at its very inception, the Charter categorically rules out deliberations on bilateral and contentious issues at the SAARC Forum. It was envisaged that the resolution of existing or emerging bilateral issues and the SAARC process of multi-dimensional and multi-national regional cooperation would run a parallel course, on parallel tracks as it were, instead of running into each other and cancelling each other out. The bilateral hammer could not be allowed to pound SAARC out of existence or reduce it to a meaningless organisation where larger objectives would perish at the alter of contentious issues.

The question generally asked is what has SAARC achieved in the first decade of its existence and what is its future. It is necessary to emphasise that ten years is not an unusually long time for regional cooperation organisations to take shape and develop teeth and muscle. Both, the European Union and ASEAN have taken three to four decades to develop their current potential, outlook, mechanisms and performance. Secondly, barring some abberations, there has been a perceptible change in favour of a movement towards regional cooperation in the South Asian region as compared to the situation a decade or two ago. There is no fear in India any more that other countries in the region would 'gang up' against it at the regional forum. There is no recent evidence of that. Thirdly, excellent relations between India and its two smallest neighbours in the SAARC region viz. Bhutan and Maldives, give a lie to the thesis that the preeminence of India with its size and military power make a good relationship among them impossible.

Nor does their asymmetry make it impossible to evolve an equitable regional system of cooperation. During the first decade of SAARC, India's ties with Nepal, Bangladesh and Sri Lanka have moved towards a higher degree of good neighbourliness. These nations are now in the forefront of the movement towards regional cooperation notwithstanding the size and the power gap between nations comprising South Asia. Fourthly, it is impossible to find or fabricate a regional grouping in any part of the world where there would be a complete symmetry between its constituent states in every respect. And lastly, experience shows that even in regard to India and Pakistan, the two largest states of the region, normalization of relations in almost every field had moved fast for a decade and half in the wake of the Simla Agreement. That raises grounds for hope that their current stalemate can be reversed again.

The credit side of the SAARC ledger for a decade is not without entries. So far twelve critical areas of development have been identified for cooperation within the SAARC framework and Technical Committees have been established to foster it in the region. These are (i) Agriculture (including forestry); (ii) Communication, (iii) Education and Culture; (iv) Environment, (v) Health & Population Activities; (vi) Meteorology; (vii) Prevention of Drug Trafficking and Drug Abuse; (viii) Rural Development; (ix) Science and Technology; (x) Tourism; (xi) Transport and (xii) Women in Development. The technical committees meet often; however, they have rarely moved beyond exchange of information and data. A SAARC Data Centre has been established. The Standing Committee of Foreign Secretaries meets as often as necessary to implement, coordinate and monitor the programmes undertaken by various committees and to prepare for the meetings of Foreign ministers at least twice a year. In addition to the standing committee, another permanent body has been established called the Committee on Economic Cooperation (CEC). SAARC's institutional framework has been strengthened with the establishment, in 1987, of the SAARC Headquarters at Kathmandu, headed by a Secretary General and assisted by a set of Directors from the SAARC Countries. For the first time in 1994, the Financial Ministers of SAARC countries met to discuss the Report of the Independent SAARC Commission on Poverty Alleviation. At the helm of the institutional organisation for SAARC stand the annual SAARC Summits which have been held more or less regularly (eight in ten years). That itself is significant, given occasional flare-ups in the region on bilateral issues. The next, the ninth summit, is expected to take place in Maldives in 1997.

In addition to the consolidation and expansion of the institutional framework; some notable achievements of SAARC in recent years include the establishment of the SAARC Food Security Reserve in August 1988, the Regional Convention on Suppression of Terrorism which also came into force in August 1988, and Regional Convention on Narcotic Drugs and Psychotropic substances in 1990. Occasionally there are doubts about countries in the region acting according to the letter and spirit of the Convention on Suppression of Terrorism and sometimes these doubts are grave. However, it is quite extraordinary that even when the Indo-Pak relations had touched a nadir recently on account of their differences on the question of Kashmir, the two countries continued to cooperate remarkably well on the issue of controlling the narcotic traffick. They have cooperated on several other regional issues, too. A SAARC festival organised in India in October 1992 was a resounding success in which artists, artisans and academics of seven countries worked hand in hand to discuss SAARC issues, display their talents and give fascinating performances to millions of people in India for a whole month, thus widely disseminating the SAARC spirit. The festival manifested superbly the composite fabric of South Asian societies, the rich mosaic of their diversities and the ability of SAARC to promote regional people-to-people ties on the basis of the cultural and civilizational unity of the subcontinent, irrespective of their political differences, national distinctions and bilateral differences.

There is, however, much more that SAARC can and should do. Its performance is nowhere near that of truly successful regional bodies like ASEAN and the European Union. Apart from the bonds of history and geography among South Asian nations, there is the fact that such regional organisations constitute the historic missing link between the nation-states and the amorphous United Nations. Moreover, quite happily, new commonalities have emerged in recent years among SAARC countries. The twin movement towards liberal democracy and liberal economic policy has touched our region too, in its universal sweep. In all seven countries of SAARC today the system of government is based on liberal democratic principles. Absolute monarchy or military dictatorships that had prevailed in some of them have yielded ground to constitutions based on the will of the people. All of them are in the process of liberalising their trade, have signed the GATT agreement, are members of the World Trade Organisation and are fast globalising their economies.

The Eighth SAARC Summit

After the postponement of nearly a month, the eighth SAARC summit was held in New Delhi on 4 May 1995 under the shadow of mounting bickerings between SAARC's two largest member states, India and Pakistan. The talks between the two countries at the level of foreign secretaries had remained frozen since 1993 and Pakistan's anti-Indian propaganda had touched a new peak. During her 1995 visit to the United States, the then Pakistan Premier was once referred to as the Prime Minister of India, since Ms. Benazir Bhutto had talked of India "all the time". A year before the Summit, Mr. Nawaz Sheriff had revealed that Pakistan already had the atom bomb. Another revelation came during Ms. Benazir Bhutto's visit to the U.S. in 1995 Pakistan had recently put up a new plutonium-producing facility.

Taking stock of the situation, the Prime Minister of India told the Service Chiefs at the Commanders' Conference on 21 April, 1995 on the eve of the Eighth SAARC Summit that India had to remain on guard. He added, however, that at the same time, India had to continue with its quest for normalisation of relations with Pakistan. While charging Islamabad of supporting terrorism in Jammu and Kashmir and stressing that militancy in Kashmir was a matter of immediate concern, Prime Minister Narasimha Rao urged the Defence Services of India to take steps to ensure that their human rights record was beyond reproach. This is a point Pakistan had been consistently hammering at.

From the standpoint of building bridges in the SAARC region, it is important to convert the conflictual dynamics in the region into the dynamics of peace and development. While India's legitimate defence needs have to be met, its policy of constructive engagement for peace with neighbours has to continue. Thanks to that policy, India's security environment has undergone a change for the better, notwithstanding the tense relations with Pakistan. The conversion of the Line of Actual Control into a line of peace and tranquillity between India and China and the movement towards cooperative relations with that country irrespective of territorial differences is a case in point.

The Simla Agreement had put Indo-Pakistan relations on a similar course, making the emergence of SAARC possible. One has to put the Simla process back on the rails. In this context, the understanding reached between President Leghari and Prime Minster Rao during the Eighth SAARC summit that the question of Jammu and Kashmir would be resolved peacefully must be welcomed. In actual fact that was a reiteration of the commitment made by both countries already under the Simla Agreement.

It is important to note that India's size is no bar to building good relations within the SAARC region. India's relations with both Bhutan and Maldives, the two smallest nation-states in South Asia have been exemplary. India has also significantly improved its relations with Nepal, Bangladesh and Sri Lanka. Today these countries are in the vanguard of the movement for regional cooperation. While stressing the primacy of bilateral issues, even the President of Pakistan gave his full support to promotion of regional cooperation through SAARC in his address at the Eighth SAARC Summit. Bangladesh has been the champion of regional cooperation throughout. During their visits to India before the summit, Prime Minister Man Mohan Adhikari of Nepal and President Chandrika Kumaratunga of Sri Lanka also displayed a new fervor for promoting the spirit of SAARC and pleaded for a faster movement towards making SAPTA a reality. Prime Minister Adhikari went a step further and suggested the establishment of South Asian Free Trade Area as soon as possible. He also opined that strengthening economic cooperation in the region would automatically improve the climate for settling bilateral issues between member states of SAARC.

At present all the seven countries of South Asia are engaged in the process of globalising their economy, and regional economic cooperation should be well within their grasp. Inaugurating an international seminar "SAARC–2000 And Beyond" at the India International Centre in March 1995, Mr. K.R. Narayanan, Vice-President of India, expressed surprise that while South Asian countries were opening their economies to the globe, they were not opening themselves to each other.

Whereas SAARC has remained bogged down in intra-regional contradictions in the first decade of its existence, regional cooperation has become a rage in other parts of the world during the same period. Countries with different sizes, different political systems and diverse levels of development are cooperating in other regions of the globe most fervently for the sake of their common weal. Regional groupings are becoming an essential link between individual nation-states and global organisations, be they the U.N. and its various agencies or the World Trade Organisation set up recently. Countries are taking common positions as members of regional groupings at these larger bodies more and more. In the absence of similar cooperation, our region is getting marginalised. Our comparative advantage in this highly competitive world is being eroded as we act as a drag against each other and pull each other down in the international forums rater than act in unison. It is heartening to note, however, that at the global Environment Summit in Rio and the Social Summit in Copenhagen, the SAARC region took common stands.

In his inaugural statement at the eighth summit, Mr. P. V. Narasimha Rao said that the region's eyes were firmly set on the future. If the next century has to be that of Asia, what kind of contribution will South Asia make to it is the question. Will it be part of a resurgent Asia, comprising politically free, economically powerful and socially dynamic giants of the modern age or will it remain its backwaters? We can tune SAARC to the spirit of our times and use it as an engine of a major transformation taking advantage of the physiographical unity of the region, the vast complementarity of the natural endowment of the countries comprising it and their strong historic and cultural bonds in the midst of their rich diversity. Or else will our differences play havoc with the lives of our teeming millions and relegate them and the coming generations to the dumps of history.

The choice is ours. With its decision to make SAPTA operational by the end of 1995 and to progressively convert the region into a free trade area, SAARC has made a fresh beginning. Let us hope that in the aftermath of the eighth summit, SAARC will finetune itself to suit our times and grow into a model of regional cooperation. This is not just a pious hope but increasingly a vibrant possibility.

In the year 1995, under India's Chairmanship a meeting of SAARC Planning and Finance Ministers adopted a plan of action to fulfil the commitment of SAARC Heads of State/Government to eliminate poverty in South Asia by the year 2002. Again in December the same year, the seven SAARC Commerce Ministers met for the first time in the history of SAARC. They decided to separate economic and commercial issues from bilateral political issues and to foster co-operation in the former to ensure that the region would become a free trade area by the year 2005, if not earlier. The same month South Asian Preferential Trade Area (SAPTA) became operationalised.

In the years ahead SAARC should propel the region towards SAFTA with speed, establish fresh monetary and currency exchange regimes, facilitate movement of goods and services among them and intensify people to people contacts taking full advantage of the current revolution in communications. In this regard it is most encouraging to note that the Eighth Summit unanimously adopted the recommendation made by the conference on "SAARC 2000 and Beyond" to establish the South Asian Free Trade Area by the year 2005. The recommendation was forwarded by Dr. Karan Singh on behalf of the Conference to all the SAARC Heads of State/ Government before the New Delhi SAARC Summit.[1]

One reason why progress is slow in SAARC is the provision of unanimity in its Charter. In a way it constitutes a guarantee of equal treatment. But often it acts as veto and militates against progress. Lack of progress in SAARC is marginalising the region externally and halting its growth internally. While the principle of unanimity for all its decisions remains sacrosanct, countries may consider making unilateral concessions to facilitate the objective of a regional free trade area. It would also be prudent to·think in terms of sub-regional cooperative arrangements within the states of Nepal, Bhutan, Bangladesh and India comprising the northeastern sub-region; Maldives, Sri Lanka and India comprising the southern sub-region; and India and Pakistan comprising the Western. The summits should also increasingly explore solutions to mutual problems in an informal atmosphere and ministerial meetings should be held quite regularly to explore solutions to mutual problems both informally and formally in all the fields earmarked for technical committees. In the post cold war world, the concept of security has undergone a major change. It stems from the inadequacy of military security and economic and social ingredients entering into the concept of security effectively. At the conference on "SAARC 2000 And Beyond" held in March 1995 at the India International Centre in New Delhi under the Chairmanship of Dr. Karan Singh, it was unanimously felt that SAARC should help set up a group of experts to study the multiple dimensions of South Asian Security and a release of a 'peace dividend' for the benefit of the people of the region. It is necessary to move forward with steps such as these to convert SAARC into an effective instrument of regional transformation and growth without further loss of time.

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[1] The recommendation came specifically at the suggestion of this author as convenor of the conference, and was included in the publication "SAARC 2000 and Beyond" ed. L.L. Mehrotra, H.S. Chopra and G.W. Kueck (Omega Scientific Publishers, New Delhi, 1995) on p. 411.

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ANNEXURE - I

Charter of the South Asian Association for Regional Cooperation

We, the Heads of State or Government of BANGLADESH, BHUTAN, INDIA, MALDIVES, NEPAL, PAKISTAN and SRI LANKA;

1. Desirous of promoting peace, stability, amity and progress in the region through strict adherence to the principles of the UNITED NATIONS CHARTER and NON-ALIGNMENT, particularly respect for the principles of sovereign equality, territorial integrity, national independence, non-use of force and non-interference in the internal affairs of other States and peaceful settlement of all disputes;
2. Conscious that in an increasingly interdependent world, the objectives of peace, freedom, social justice and economic prosperity are best achieved in the SOUTH ASIAN region by fostering mutual understanding, good neighbourly relations and meaningful cooperation among the Member States which are bound by ties of history and culture;
3. Aware of the common problems, interests and aspirations of the peoples of SOUTH ASIA and the need for joint action and enhanced cooperation within their respective political and economic systems and cultural traditions;
4. Convinced that regional cooperation among the countries of SOUTH ASIA is mutually beneficial, desirable and necessary for promoting the welfare and improving the quality of life of the peoples of the region;
5. Convinced further that economic social and technical cooperation among the countries of SOUTH ASIA would contribute significantly to national and collective self-reliance;
6. Recognising that increased cooperation, contacts and exchanges among the countries of the region will contribute to the promotion of friendship and understanding among their peoples;
7. Recalling the DECLARATION signed by their Foreign Ministers in NEW DELHI on August 2, 1983 and noting the progress achieved in regional cooperation;
8. Reaffirming their determination to promote such cooperation within an institutional framework;

DO HEREBY AGREE to establish an organization to be known as SOUTH ASIAN ASSOCIATION FOR REGIONAL COOPERATION hereinafter referred to as the ASSOCIATION, with the following objectives, principles, institutional and financial arrangements:

ARTICLE I

Objectives

1. The objectives of the ASSOCIATION shall be.
    - (a) to promote the welfare of the peoples of SOUTH ASIA and to improve their quality of life;
    - (b) to accelerate economic growth, social progress and cultural development in the region and to provide all individuals the opportunity to live in dignity and to realise their full potentials;
    - (c) to promote and strengthen collective self-reliance among the countries of SOUTH ASIA;
    - (d) to contribute to mutual trust, understanding and appreciation of one another's problems;
    - (e) to promote active collaboration and mutual assistance in the economic, social, cultural, technical and scientific fields;
    - (f) to strengthen cooperation with other developing countries;
    - (g) to strengthen cooperation among themselves in international forums on matters of common interests; and
    - (h) to cooperate with international and regional organizations with similar aims and purposes.

ARTICLE II

Principles

1. Cooperation within the framework of the ASSOCIATION shall be based on respect for the principles of sovereign equality, territorial integrity, political independence, non-interference in the internal affairs of other States and mutual benefit.
2. Such cooperation shall not be a substitute for bilateral and multilateral cooperation but shall complement them.
3. Such cooperation shall not be inconsistent with bilateral and multilateral obligations.

ARTICLE III

Meetings of the Heads of State or Government

The Heads of State or Government shall meet once a year or more often as and when considered necessary by the Member States.

ARTICLE IV

Council of Ministers

1. A Council of Ministers consisting of the Foreign Ministers of the Member States shall be established with the following functions:
    - (a) formulation of the policies of the ASSOCIATION;
    - (b) review of the progress of cooperation under the ASSOCIATION;

(c) decision on new areas of cooperation;
(d) establishment of additional mechanism under the ASSOCIATION as deemed necessary;
(e) The Council of Ministers shall meet twice a year. Extraordinary session of the Council may be held by agreement among the Member States.

ARTICLE V

Standing Committee

1. The Standing Committee comprising the Foreign Secretaries shall have the following functions;
    (a) overall monitoring and coordination of programme of cooperation;
    (b) approval of projects and programmes, and the modalities of their financing;
    (c) determination of inter-sectoral priorities;
    (d) mobilisation of regional and external resources;
    (e) identification of new areas of cooperation based on appropriate studies;
2. The Standing Committee shall meet as often as deemed necessary.
3. The Standing Committee shall submit periodic reports to the Council of Ministers and make reference to it as and when necessary for decisions on policy matters.

ARTICLE VI

Technical Committees

1. Technical Committees comprising representatives of Member States shall be responsible for the implementation, coordination and monitoring of the programmes in their respective areas of cooperation.
2. They shall have the following terms of reference;
    (a) determination of the potential and the scope of regional cooperation in agreed areas;
    (b) formulation of programmes and preparation of projects;
    (c) determination of financial implications of sectoral programmes;
    (d) formulation of recommendations regarding apportionment of costs;
    (e) implementation and coordination of sectoral programmes;
    (f) monitoring of progress in implementation.
3. The Technical Committees shall submit periodic reports to the Standing Committee.
4. The Chairmanship of the Technical Committee shall normally rotate among Member States in alphabetical order every two years.
5. The Technical Committees may, inter-alia, use the following mechanisms and modalities, if and when considered necessary:
    (a) meetings of heads of national technical agencies;
    (b) meetings of experts in specific fields;
    (c) contact amongst recognised centres of excellence in the region.

ARTICLE VII

Action Committees

1. The Standing Committee may set up Action Committees comprising Member States concerned with implementation of projects involving more than two but not all Member States

ARTICLE VIII

Secretariat

There shall be a Secretariat of the ASSOCIATION.

ARTICLE IX

Financial Arrangements

1. The contribution of each Member State towards financing of the activities of the ASSOCIATION shall be voluntary.
2. Each Technical Committee shall make recommendations for the apportionment of costs of implementing the programmes proposed by it.
3. In case sufficient financial resources cannot be mobilised within the region for funding activities of the ASSOCIATION, external financing from appropriate sources may be mobilised with the approval of or by the Standing Committee.

ARTICLE X

General Provisions

1. Decisions at all levels shall be taken on the basis of unanimity.
2. Bilateral and contentious issues shall be excluded from the deliberations.

IN FAITH WHEREOF We Have Set Our Hands And Seals Hereunto.

DONE In DHAKA, BANGLADESH On The Eighth Day Of The Month Of December Of The Year One Thousand Nine Hundred Eighty Five.

Hussain Muhammad Ershad
PRESIDENT OF THE
PEOPLES REPUBLIC OF BANGLADESH

Maumoon Abdul Gayoom
PRESIDENT OF THE
REPUBLIC OF MALDIVES

Jigmesingye Wangchuck
KING OF BHUTAN

Birendra Bir Bikram Shah Dev
KING OF NEPAL

Rajiv Gandhi
PRIME MINISTER OF THE
REPUBLIC OF INDIA

Mohammad Zia-ul-Haq
PRESIDENT OF THE
REPUBLIC OF PAKISTAN

Junious Richard Jayewardene
PRESIDENT OF DEMOCRATIC SOCIALIST
REPUBLIC OF SRI LANKA

ANNEXURE - II

Organizational Structure of SAARC

The highest authority of the Association rests with the Heads of States or Government who meet generally once a year. During the period 1985–1995, eight Meetings of the Heads of State or Government were held in Dhaka, Bangalore, Kathmandu, Islamabad, Male, Colombo, Dhaka and New Delhi respectively.

The Council of Ministers comprising the Foreign Ministers of Member States is responsible for the formulation of the Association's policies; reviewing progress in cooperation; deciding on new areas of cooperation; establishment of additional mechanisms as deemed necessary; and deciding on other matters of general interest to the Association. The Council of Ministers meets twice a year and may meet in extraordinary session by agreement of Member State.

The Standing Committee consisting of the Foreign Secretaries of Member States is entrusted with overall monitoring and coordination of the Association's cooperation programmes; approval of projects and programmes and the modalities of their financing; determining inter-sectoral priorities; mobilization of regional and external resources; and identification of new areas of cooperation based on appropriate studies. The Standing Committee may meet as often as deemed necessary but in practice it meets twice year. It submits periodic reports to the Council of Ministers.

The Programming Committee comprising senior officials meet prior to the Standing Committee sessions to scrutinize Secretariat Budget, finalise calendar of Activities and deal with any other function assigned to it by the Standing Committee.

Technical Committees (TC) comprising representatives of Member States are responsible for the formulation of programmes and preparation of projects, and their implementation, coordination and monitoring in the respective fields under the IPA. TCs report to the Standing Committee. Chairmanship of each Technical Committee normally rotates among Member Countries in alphabetical order every two years.

To ensure inter-sectoral coordination Meetings of Chairpersons of Technical Committee (MCTC) may be held as and when deemed necessary, subject to approval by the Standing Committee.

Action Committees may also be established comprising Member States concerned with implementation of projects involving more than two, but not all, Member States.

Recognizing that promoting cooperation among official national planning organisations of Member Countries would be beneficial, the Foreign Secretaries at their Third Meeting (1982) decided that meeting of such organizations be held. So far, six Meetings of Planners have been held, one in 1983 and five annually from 1987 to 1991. These meetings initiated cooperation in important areas such as Trade, Manufacturers and Services; Basic Needs; Human Resource Development; Data base on socio-economic indicators; Energy Modelling Techniques; Plan Modelling Techniques and Poverty Alleviation Strategies.

A high level Committee on Economic Cooperation (CEC) was established in 1991 for identifying and implementing programmes in the core area of economic and trade cooperation.

Under the aegis of SAARC, Ministerial Meetings are held to focus attention on specific areas of common concern and are becoming an integral part of the consultative structure. So far Ministerial- level meetings have been held on International Economic Issues, Islamabad (1986), Children, New Delhi (1986) and Colombo (1992) Women in Development, Islamabad (1990), Environment, New Delhi (1992), Women and Family Health, Kathmandu (1993), and Disabled Persons, Islamabad (1993), Poverty Eradication, Dhaka (1994) and Commercial and Economic Cooperation, New Delhi (1995).

SAARC Secretariat

The SAARC Secretariat was inaugurated in Kathmandu, Nepal, on 16th January 1987. The Secretariat's role is to coordinate and monitor the implementation of SAARC activities, service the meetings of the Association and serve as the channel of communication between SAARC and other international organizations. Over the years the SAARC Secretariat has been playing an increasingly active role in the process of regional cooperation.

The Secretariat comprises the Secretary-General, seven Directors and the General Services Staff. The Secretary-General is appointed by the Council of Ministers upon nomination by a Member State on the principle of rotation in alphabetical order for a period of two years.

Directors are appointed by the Secretary-General upon nomination by Member State for a period of three years which, in special circumstances, may be extended by the Secretary-General for a period not exceeding another full term in consultation with the Member State concerned.

Financial Arrangements in SAARC

Member States make provision in their respective national budgets, for financing activities and programmes under the SAARC framework including contributions to the Secretariat budget and that of the regional institutions. The financial provision thus made is announced annually at the meeting of the Standing Committee.

The annual budget of the Secretariat both for the capital as well as recurrent expenditure is shared by Member States on the basis of an agreed formula. The initial cost of the main building of the Secretariat together with all facilities and equipment as well as that of the annex building completed in 1993 has been met by the host Government.

A minimum of 40 per cent of the institutional cost of regional institutions is borne by the respective host Government and the balance is shared by all Member State according to an agreed formula. Capital expenditure of regional institutions which includes physical infrastructure, furnishing, machines, equipment etc., are normally borne by the respective host Government. Programme expenditure of regional institutions is also shared by Member States according to the agreed formula.

In the case of activities under the approved Calendar, the local expenses including hospitality, subject to agreed limits, are borne by the host Government while the cost of air travel is met by the sending Government.

Integrated Programme of Action (IPA)

The Integrated Programme of Action (IPA) is central to the whole SAARC process and there are at present twelve agreed areas of co-operation within IPA, each being the responsibility of the relevant TC.

In response to the need emphasised at successive Summits to further consolidate and streamline IPA activities aimed at bringing tangible benefits to the peoples of South Asia, a comprehensive set of guidelines and procedures was adopted in 1992 for the rationalization of SAARC activities. The measures envisaged relate to the selection and organization of activities, reporting there on, implementation, monitoring and evaluation. As a result of these measures, there is now a greater focus on activities which facilitate training and workshops for transfer of technology and expertise.

The Secretary-General reports on the progress in the implementation of IPA to the Standing Committee both at its inter-Summit and pre-Summit sessions. A brief resume' of the activities/programmes under each Technical Committee is given below:

Agriculture (TC01)

Agriculture was among the original five areas identified for fostering regional cooperation. The first meeting of TC01 was held in 1983. Subsequently, Forestry was also included in the work of the Technical committee. TC01 was instrumental in the setting up of SAARC Agricultural Information Centre (SAIC) at Dhaka in 1988-the first SAARC regional institution.

Member States have been exchanging Germplasm, Breeding Materials on Livestock and Fishery in accordance with the quarantine regulations in force in their respective countries. Prototypes of Farmtools and Equipments have been exchanged for trial and adaptation. Activities for Improved Livestock through Exchange of Animals, Frozen Semen and Vaccine have also been undertaken. The responsibility of compiling lists of institutions and disciplines capable of offering training in Member Countries has been entrusted to SAIC. Rice and Wheat-Breeding Programmes for enhancing productivity have been conducted while

Multilocation trials for various crops are being undertaken. Regular meetings of Counterpart Scientists in various fields of agriculture are an important feature of the Committee's Programme. The lists of Counterpart Scientists in the twelve agreed areas of crops/disciplines have been finalised for networking arrangements. Progress has been made towards establishing a network on Amelioration of Problem Soils.

The programme for the 1990s focuses on Genetic Engineering and Bio-Technology (for crop and livestock improvement, agricultural and horticultural development, embryo transfer technology for livestock and conservation of endangered germplasm); Homestead Vegetable Production; Food Availability and Nutritional Balance; Data Base on Technology and Training facilities in agricultural science within the SAARC countries; and meeting of the Expert Group on Crop Diseases. Two important programmes: "Reaching the Million—Training of Farmers and Farm Women in the Region by 2000 A.D" and "Promotion of 'Bio-Villages' in the SAARC Region" are in the process of finalisation.

Communications (TC02)

TC on Telecommunications and TC on Postal Services both established in 1983, which had hitherto functioned separately, were amalgamated into a single TC on Communications with effect from 1993.

With a view to bringing about an over-all improvement in the postal services in the region, the work programme in this sector included training, seminars, workshops study tours etc.

Training programmes were held for First and Middle Level Officers and for Trainers as well in Philately, International Postal Services, International Mail Accounting and Routing, Postal Management Services and Post Office Savings Banks Seminars/Workshops were organized on Postal Operation and future challenges, Mechanization of Postal Operations, Agency functions, Financial Services, Caring for Customer, Expedited Mail Service (EMS), Circulation System of EMS and Postal Marketing.

Study tours on Agency Services, Safety and Security of Postal Articles, Postal Services in Hilly or Rural Areas and New Mail and Financial Service in Pakistan were undertaken to gain first- hand knowledge of problems and plans for improvement of postal services.

Since 1985, Letter Writing Competitions have been held annually. Studies undertaken were on Productivity Measurement Techniques applied in postal operations, Postal Delays in SAARC region, Integration of Postal Services with rural development and Concessional Mail Tariff and Mail Transmission.

Other activities undertaken include issue of commemorative stamps, postage stamp displays and philatelic exhibitions.

Within the overall objective of providing tele-communication services to majority of the rural population by the year 2000, TC02 has focused on efforts to promote technological and human resource development and management. There has been substantial progress in implementing the recommendations for the establishment of ISD, automatic telex, and bureaufax facilities, improvement of inter-country links, introduction of common collection charges and media independent tariff, adoption of SDR as common accounting unit and off-peak period tariff.

Short term activities in Telecommunications include Seminars/ Workshops on Data Transmission, Digital Switching, Network Management, Operations, Software maintenance, Trends in External Plants practice, Adoption of new technologies in rural telecommunication system, transition from analogue to digital transmission, improvement of quality services in telecommunications, IDR satellite technology and improvement of rural telecommunications.

Training Courses were held in new technologies for maintenance of switching systems, software development, financial management, packet switch data network and NEAX61.

Education and Culture (TC03)

The TC on Education (established in 1989) and TC on Sports, Arts and Culture (established in 1983) which had hitherto been functioning separately were amalgamated into a single TC on Education and Culture with effect from 1993.

The Priority themes identified for cooperation in the field of Education are: Education for the Undeveloped Areas and Groups; Literacy, Post Literacy and Continuing Education; Women and Education; Universal Primary Education; Science and Technical Education; Distance Education; Educational Research; Higher Education.

The nomination of Nodal Agencies for each of the priority themes together with the Regional Coordinating Agency has been completed and specific contact points within the Nodal Agencies are to be identified to facilitate greater interaction. The Regional Coordinating Agencies are currently preparing appropriate action plans in consultation with national Nodal Agencies.

Short term activities such as Expert Group Meetings, Workshops/ Seminars have been held on the priority themes and also on specific subjects such as Modernization of Curriculum, Environmental Education including Population Education and Planning and Management of Education.

Networking arrangement for sharing information on Mass Literacy Programmes is to be established and modalities and operational framework for this purpose are to be prepared.

Among the programmes currently being implemented in the field of Culture are: Preparation of an Anthology of Poetry of SAARC Member States; Preparation of Project Paper on Joint Production of books, audio and visual cassettes and the preservation of oral tradition by recording; and the establishment of networking arrangements in the field of archaeology, museology and historical studies.

Short term activities completed in the field of Culture are: five South Asian Archaeological Congresses; one History Conference; Workshops/ Training/Seminars on Conservation of Wall Paintings, Documentation of Musical and Oral Tradition; Archives and Photographic Exhibition of Monuments and Natural Heritage.

In the field of Arts, an Exhibition of Handicrafts; Workshops on Sea

Based Crafts and Artisans at Work and SAARC Painters Camp have been held.

The First South Asian Festival (India, October 1992) served to focus on the region's common cultural heritage.

As part of the regional cooperation activities in Sports, Coaching Camps and/or Clinics have been conducted in Table Tennis, Squash, Hockey, Basketball, Swimming, Athletics and Volleyball. Training of Experts in Sparktiad has been conducted. Basketball and Football Tournaments and SAARC Marathons have been organized.

Environment (TC04)

The first important SAARC initiative in the area of environment was to undertake national studies on "Causes and Consequences of Natural Disasters and the Protection and Preservation of the Environment", and subsequently on "Greenhouse Effect and its Impact on the Region." Thereafter these national studies were consolidated into two respective regional studies.

Recommendations of the above regional studies were considered by the Committee on Environment, and subsequently by TC04, after the former was re-designated as a Technical Committee.

At its first meeting, TC04 identified measures for immediate action from among the recommendations and decided on a number of modalities for their implementation by Member States. The modalities decided include, improving climate monitoring capability through networking arrangement and through SAARC Meteorological Research Centre (SMRC); developing climate change and sea level rise scenario through country specific studies and sharing of information data in this respect; making available to Member States expertise on climate research and monitoring Greenhouse Gases emission; identification of training and research institutions and ongoing programmes; exchange of information and data; exchange of experience on strategies for developing, mitigating and adaptive responses to climate change.

TC04 also discussed AGENDA 21 of UNCED and identified possible regional initiatives. It noted that Member States were already undertaking detailed consideration of AGENDA 21 and drawing up their respective national programmes accordingly.

Health and Population Activities (TC05)

Health and Population Activities was one of the original five areas of cooperation identified by Member States. The First Meeting of TC05 was held in 1984.

The primary focus of TC05 has been on children, population welfare and policy, maternal and child health, primary health care, disabled and handicapped persons, control and eradication of major diseases in the region such as malaria, leprosy, tuberculosis, diarrhoeal diseases, rabies, AIDS, and iodine deficiency disorder.

Some of the achievements of the TC include the setting up of the SAARC Tuberculosis Centre (STC), in Kathmandu in 1992, devising a standard Format for preparing the Annual Review of the Situation of

Children in the SAARC region; establishment of networking arrangements for training, research and eradication of Malaria and regional approach for combating major diseases in the region. A Directory of training programmes in six priority areas, i.e. malaria, tuberculosis, leprosy, diarrhoeal disease, human rabies and maternal and child health have been prepared and circulated. In addition several status papers on important subjects relating to health have been circulated among Member States.

Meteorology (TC06)

Meteorology was also one of the five areas of cooperation initially identified by Member States. The First meeting of TC06 was held in 1984. Since its inception, the Committee has been involved in organising seminars/workshops in areas such as Joint inter-comparison of Barometers, Meteorological instruments, agricultural meteorology, numerical weather prediction, crop- weather relationship and crop-yield focused, long range weather forecasting etc. Training Programmes have been conducted on meteorological telecommunications, management and establishment of national data centres, monsoon forecasting etc. State-of-the-art reports on Western disturbances and Tropical cyclones including prediction of recurvature have been completed. Expert panels have been convened on specialised fields.

A Regional Award is given every year to a young scientist or a group of scientists for a research paper on meteorological topics. SAARC Meterological Research Centre (SMRC), established in Bangladesh, comes under the purview of TC06.

The programmes for the 1990s identified by the Committee include, the establishment of National Data Centres, conducting studies on Meteorological aspects of Environmental Pollution, establishment of Port Meteorological Offices for obtaining Data from Ocean areas. TC06 has also identified long term measures such as creation of a Regional Data Bank Organization of Research Flight Facilities for probing cyclones, networking for Drifting and Anchored Buoys in Oceanic Regions, Environmental Pollution Monitoring stations, Preparation of Atlases of Meteorological Parameters and Familiarization with Computer Technology as needed for meteorological research, including visits to computer centres and cost of consumables.

Prevention of Drug Trafficking and Drug Abuse (TC07)

Since its establishment in 1987, TC07 has implemented a number of programmes in law enforcement, prevention, treatment and rehabilitation as essential elements of a coordinated regional strategy in combating drug trafficking and drug abuse.

Efforts have been directed at promoting SAARC Member States' accession to the relevant UN Conventions, conclusion of a Regional Drug Convention and harmonization and consolidation of national drug laws.

Cooperation among Drug Law Enforcement Agencies and Officers is being developed through short term activities such as Seminars and

Training Courses. Nodal Agencies in Member States have been nominated to exchange information and intelligence on drug offenses. The SAARC Drug Offenses Monitoring Desk (SDOMD), has been established in Colombo to collate, analyze and disseminate information on drug offenses.

In the field of demand reduction, short term activities such as workshops/seminars held so far have focused on the role of media in drug abuse prevention, community mobilization against drug abuse, preventive education, school curriculum development, treatment and relapse prevention and exchange of information on indigenous and innovative methods of treatment. A networking arrangement among Nodal Institutions in drug abuse prevention is being established.

Meetings of selected NGOs involved in Drug Abuse Prevention have been held. A Directory of such Organizations has been compiled in order to promote greater interaction among them.

Rural Development (TC08)

Rural Development is one of the five original areas identified for cooperation under the IPA. The First meeting of the Committee was held in 1984. Specific activities taken up by the Technical Committee include exchange of information and literature among member states on issues relating to rural development, preparation of Research Studies on selected topics, compilation of lists of experts, training institutes, and institutions involved in transfer of appropriate technology in member states, with a view to exchanging expertise and sharing training facilities within the region.

Several workshops/seminars and training courses covering practically all aspects of rural development including regional planning, poverty focused development, rural energy, design of agricultural projects, local level planning, inter-country comparisons, appropriate technology, disaster management, rural child development, rural sociology, peoples participation, rural water supply, employment generation, social forestry, rural communication and development of agricultural markets have been conducted in Member States under the TC08.

Research Studies have been undertaken on People's participation, Impact on Poverty focused Programme, Rural Water Supply, Transfer of Technology, Rural Housing, Rural Markets and Roads, Rural Institutions and Rural Energy.

Priority areas identified by TC08 for the 90s for the selection of well identified, target-oriented and time bound programmes are Poverty Alleviation, Employment, Human Resource Development and Organization of Rural Poor, Women in Development, Sustainable Rural Development, Environment and Technology transfer.

The decision to establish a Shelter Information Network "SHELTERNET" has been followed up by an Expert Group meeting which has defined its objectives and prepared detailed financial cost-estimates as well as operational modalities for final approval.

The Committee has also been entrusted with the work relating to the SAARC Youth Volunteers Programme (SYVOP) since November 1989.

Science and Technology (TC09)

Since its establishment in 1983, TC09 has undertaken a wide variety of programmes which include short term activities such as seminars/ workshops, Training, Joint Research Projects, Preparation of State-of-the-Art Report and compilation of Directories.

The Seminars/Workshops/Meetings of Experts held so far were on: Post Harvest and Food Technology; Renewable Energy Resources; Photovoltaic; Pesticides; Instrumentation, Maintenance and Calibration, Cultivation and Processing of Medicine and Aromatic Plants; Delivery System of Improved Stoves for Rural Users; Low Cost Housing Technology Diffusion in Rural Areas; Treatment of Drinking Water in Rural and Urban Areas; Science Policy; Low Cost scientific Educational Equipment; Bio-Fertilizer Technology; Bio-Mass Gasification; Recycling of Waste Water and Development of Technologies for Pollution Control; Technology Information and its Linkages; Biological Control of Plant Pests; Immunodiagnostics; Ore Bonification; Energy Modelling Techniques; and Solar Thermal Technology.

Training Programmes have been held for Technocrats and Technologists on Tannery Waste Management. Low Cost Housing, Development of Prawn Hatcheries, Electronics and Molecular Biology.

Joint Research Projects are being undertaken on Design and Manufacture of Food Processing Equipment and Appropriate Post Harvest Food Technology for Perishable Items.

State-of-the-Art Reports have been completed on Biogas; Mineral Resources Exploration; Producer Gas; Application of Remote Sensing Techniques; and Use of Organic Fertilizers. The Reports currently under preparation include Building Materials and Technologies, Integrated Management of Tannery Waste, Food Processing and Handicrafts and Local Electronic products.

Directories are being prepared on Specialised Analytical Instrumentation facilities and Techniques and Process Engineering/Pilot Plant Facilities in Agro Food Processing.

Networking Arrangements are being established in the fields of Biotechnology and Genetic Engineering, Energy Modelling Techniques, Technology information and Low Cost Housing and Building Technologies.

Tourism (TC10)

TC10 was established in 1991 to promote cooperation among the tourist industries in the region. At its first meeting held in Colombo in October 1991, the Committee decided on an Action Plan on Tourism to promote cooperation in the areas such as training programmes, exchange of information, joint promotion, joint- venture investment, intra-regional tourism etc. It also reviewed progress on the proposal of Scheme for Promotion of Organized Tourism.

TC10 at its Third Meeting held in Kathmandu in September 1993, reviewed the progress with regard to the Action Plan on Tourism and the Scheme for Promotion of Organised Tourism. The Committee decided that an Expert Group consisting of representatives from the Government and private sectors should meet to evolve strategies and common tourism products for joint promotion of the SAARC region as a tourist destination. Details regarding participation in international tourism fairs are being worked out following a decision by the Committee.

Transport (TC11)

The first meeting of TC11 was held in 1983. The work of TC11 covers three major segments of transport i.e. land transport, divided into roadways and railways, sea transport sub-divided into inland waterways and shipping; and air transport.

The activities of TC11 cover exchange of data and information, preparation of status papers, compilation of data base and directories of consultancy centres for the transport sector. Seminars and workshops have covered areas such as Material and Cost of Road Construction, Maintenance of Roads, Rural Roads, Road Transportation and Safety, Containerisation for Railways, Urban Transportation, Inland Water Transport, etc.

Training courses held include Corporate Planning for Railway sector, Highway and Bridge Engineering. A compendia of Information on Roads in the SAARC region has been completed and similarly data on Railway Transport have been compiled. Two important Directories, one on Centres of Excellence and the other on Consultants and Experts in the field of transport are in the process of preparation. An important Study on "In-depth examination of Transport Infrastructure and Transit Facilities so as to make viable proposals for Improvement", is due to be completed shortly.

The work programme for the 1990s covers a wide range of issues related to road, rail, sea and air transportation. Recently, four new areas of cooperation in the Transport Sector have been identified by the Committee: Transport Safety; Rural Transport, Environmental Aspects and Energy Conservation. Two new proposals: "Establishing Joint Venture Operations to provide Container Liner Shipping Services for Long Haul Trade Routes" and "Consultancy/Contracting Joint Ventures in the Transport Sector in the SAARC Region" are also being considered by the Technical Committee.

Women in Development (TC12)

Women in Development was included as an area of cooperation under the IPA in 1986. Specific issues that have been taken up by the Committee include preparation of a Regional Plan of Action for Women, effective dissemination of technical information relating to women in development generated by Member States, preparation of Guide Books on Women in Development by Member States etc. SAARC Women's Journal's issues have been published to coincide with important events like SAARC Summits.

On the recommendation of the Committee, 1990 was designated as the "SAARC Year of the Girl-Child" and subsequently 1991-2000 declared as the "SAARC Decade of the Girl-Child". A SAARC Plan of Action has been drawn up to observe the decade in order to highlight the gender disparities in the region and to promote the welfare of the Girl-Child. Member States are now in the process of implementing the Plan of Action.

Several short-term activities like seminars, workshops and training courses have been held in the areas of women in law, women and environment, women's education and training, women's employment, women in agriculture and extension etc. Several activities related to different aspects of the Girl-Child have also been held under the Committee. Exhibitions on Handicrafts and Design by Women have also been organized by Member States.

A Women's Cell has been established in the SAARC Secretariat to act as a Data Bank and a Store House of information on Women in Development in the region. It will also act as a forum for coordination among Member States and other TCs.

TC12 has been instrumental in convening the Ministerial Meetings on Women in Development in Shillong in 1986 and Islamabad in 1990 respectively.

SAARC Audio-Visual Exchange (SAVE) Programme

SAVE has been an effective medium for promoting South Asian consciousness amongst the peoples of the region and for establishing people-to-people contact. Regular TV and Radio Programmes have been telecast/broadcast on the 1st and 15th of each month respectively under SAVE. The SAVE Quiz Programme has evoked keen interest among the youth in the region. The earlier programmes were mostly on social and cultural aspects but in recent years efforts have been made to produce programmes on development themes. SAVE programmes also include co-productions on designated SAARC Year Themes.

SAARC Documentation Centre (SDC)

The Centre has been established to provide ready access to reliable and up-to-date information on technical and scientific and development matters.

SAARC Scheme for Promotion of Organised Tourism

The Scheme was initiated with the over-all objective of promoting people-to-people contact in the region and more specifically as a step to facilitate development of intra-regional tourism. It provides inter alia for concessional air fare to the tourists travelling under the scheme. The Technical Committee is presently taking necessary action to ensure implementation of the scheme.

SAARC Chairs, Fellowships and Scholarships Scheme (SCFSS)

The SAARC Chairs, Fellowships and Scholarships Scheme was instituted with the aim of providing increased cross- fertilization of ideas through greater interaction among students, scholars and academics in the SAARC Countries. This scheme has now been brought under the purview of the Technical Committee on Education and Culture (TC03).

SAARC Youth Volunteers Programme (SYVOP)

The main objective of the SYVOP is to harness the idealism of the Youth for regional cooperation programmes by enabling them to work in other countries in the field of agriculture and forestry extension work. SYVOP was brought under the purview of the Technical Committee on Rural Development in 1989. Six SYVOP activities have so far been held in the member countries.

Other mechanisms for promoting people-to-people contact being implemented include the following:

SAARC Visa Exemption Scheme

In order to further promote closer and more frequent contacts among the people of the region, the SAARC Visa Exemption Scheme was initiated in 1988. The Scheme became operational from 1March , 1992. Currently, persons entitled to the Scheme are the Supreme Court Judges, Members of the National Parliaments, Heads of National Academic Institutions and their accompanying spouses and dependent children. Inclusion of other categories in the Scheme is considered by the Council of Ministers from time to time in the light of the operation of the Scheme.

SAARC REGIONAL INSTITUTIONS

SAARC Agricultural Information Centre (SAIC)

SAARC Agricultural Information Centre (SAIC), the first regional institution, was established in Dhaka in 1988. The SAIC Director is responsible for the implementation of the programmes and activities of the Centre and is also the Member Secretary of the SAIC Governing Board which comprises a representative from each Member State. The reports of the Governing Board are presented to TC01 for consideration and recommendation to the Standing Committee.

SAIC serves as a Central information institution having a network with relevant national information centres in each Member State with a view to rapidly exchange regionally generated technical information and thereby strengthen agricultural research and development activities. SAIC has brought out several publications which contain information on various agricultural institutions in SAARC countries and current services on various subjects like fisheries, forestry, livestock, potato, rice etc. SAIC also publishes a quarterly newsletter.

SAARC Tuberculosis Centre (STC)

SAARC Tuberculosis Centre (STC) located in Kathmandu became operational in mid-July 1992. The main objective of STC is to work towards prevention and control of Tuberculosis control programmes of Member States. The Director is responsible for the implementation of the programmes and activities of the Centre and is ex-officio Member Secretary of the Board. The Reports of the Governing Board are presented to TC05 for consideration and recommendation to the Standing Committee.

The functions of the STC are to act as Regional Coordinator for national tuberculosis programmes; establish networking arrangements; collect and disseminate all relevant information; undertake research and training to harmonise strategies in TB Control programmes and strive for adequate supply of anti-TB drugs at low cost.

SAARC Meteorological Research Centre (SMRC)

SAARC Meteorological Research Centre (SMRC) was set up in Dhaka in 1994. The Centre concentrates more on research aspects of weather forecasting rather than on the operational aspects of the medium and long range forecasting. It is responsible for undertaking research relevant to weather prediction; compiling climatological information; monitoring special weather phenomena; and developing a networking system with Member Countries. The Director of SMRC is responsible for day-to-day functioning of the Centre and is ex-officio Member of the Technical Committee on Meteorology (TC06) which functions as the Apex Policy Making Body overseeing the work of SMRC. The Technical Committee on Meteorology (TC06) acts as the Governing Board of SMRC.

SAARC Documentation Centre (SDC)

SAARC Documentation Centre (SDC) has been established at the Indian National Scientific Documentation Centre (INSDOC) in New Delhi, India. The SAARC Documentation System (SDS) comprises the central facility i.e. SDC and its sub units in Member States which would act as the Centre's repositories, the SAARC Secretariat and SAARC Regional Institutions. In fulfilling the need for ready access to information, SDC will focus on documents generated in member countries, those generated elsewhere on the SAARC region and access to international data bases in the areas of biological, physical, chemical, engineering, and life sciences as well as in developmental matters. The Director of SDC is responsible for the day-to-day functioning of the Centre and is the member-secretary of the Governing Board which comprises a representative from each Member State. The Reports of the Governing Board are presented to TC09 for consideration and recommendation to the Standing Committee.

Regional Conventions/Agreements

Agreement on Establishing the SAARC Food Security Reserve (SFSR)

The Agreement on Establishing the SAARC Food Security Reserve (SFRS) was signed in Kathmandu during the Third SAARC Summit. This Agreement, which came into force on 12 August 1988, provides for a reserve of food grains for meeting emergencies in Member Countries. The size of the reserve at present stands at about 250,000 tonnes.

SAARC Regional Convention on Suppression of Terrorism

The SAARC Regional Convention on Suppression of Terrorism was signed in Kathmandu in November 1987 during the Third Summit and came into force on 22 August 1988 following ratification by Member States.

The Convention embodies and gives a regional focus to many of the well-established principles of international law in this respect. Under its provisions, Member States are committed to extradite or prosecute alleged terrorists thus preventing them from enjoying safe havens. Regional cooperation is also envisaged in preventive action to combat terrorism. Exchange of information, intelligence and expertise are among the areas identified for mutual cooperation under the Convention.

SAARC Convention on Narcotic Drugs and Psychotropic Substances

The SAARC Convention on Narcotic Drugs and Psychotropic Substances which was signed in Male, during the Fifth SAARC Summit in November 1990 entered into force on 15 September 1993, following ratification by all the SAARC Member States.

The Convention seeks to reinforce and supplement at the regional level, the relevant international conventions and promote regional cooperation among Member States in both law enforcement and demand reduction.

Incorporating the generally accepted principle of extradition or prosecution consistent with the respective national legislative regimes, the Convention envisages the widest measures for mutual legal assistance among Member States in investigation, prosecution and judicial proceedings in respect of drug offenses.

SAARC Preferential Trading Arrangement (SAPTA)

The Agreement on SAPTA was signed by the Ministers of Member States on 11 April 1993 during the Seventh SAARC Summit in Dhaka.

The initiative towards establishing SAPTA was taken during the Sixth SAARC Summit in Colombo in December 1991. This Agreement is an umbrella framework of rules providing for step-by-step liberalisation of intra-regional trade. It envisages periodic rounds of trade negotiations for exchange of trade concessions on tariff, para-tariff and non-tariff lines.

SAPTA contains provisions giving Special and Favourable Treatment to the Least Developed Countries (LDCs) in SAARC region. Additional measures in favour of LDCs are incorporated in Annex-I of the Agreement. Provisions for safeguard action and balance of payments measures are also incorporated in the Agreement to protect the interest of Member States during critical economic circumstances. SAPTA came into operation in December, 1995 after ratification by the seven Member States after the exchange of lists of items on which preferential treatment will be given by them. Since one more round of negotiations has been completed to expand the lists.

SAARC Regional Fund (SRF)

SAARC Regional Fund (SRF) has been established to devote attention to regional projects which remain unimplemented due to financial constraints. SRF would be administered by Member States themselves. The sources of the Fund would be grants from donor countries and agencies and international organisations, and private sector donations. The projects/programmes that qualify for funding are programme costs of SAARC Regional Institutions and costs of programme component of networking arrangements, development projects of scientific and technical nature, projects/programmes involving high costs, long-term training programmes and projects/programmes of any other nature identified in future by SAARC Member States.

South Asian Development Fund (SADF)

A South Asian Development Fund has been established in 1995. It is meant to operate as an apex 'Regional Development Bank' through partner national development banks. It will also function as a fund for Regional Projects and Joint Ventures.

SAARC-Japan Special Fund

SAARC-Japan Special Fund has been established, under which the Government of Japan has agreed to finance projects/programmes relating to SAARC region. Letters were exchanged between the Secretary-General and the Japanese Ambassador in Kathmandu on 27 September 1993 confirming the acceptance of the Memorandum on the Guidelines for the Fund.

The Fund, established entirely with contribution of the Government of Japan consists of two components. The allocation under component I will be used to finance selected programmes/projects identified and managed by the Member States. Component II would be for the programmes/projects identified and managed by the Government of Japan.

Cooperation With International And Other Regional Organisations

Memorandum of Understanding on the Trade Analysis and Information Systems (TRAINS) between SAARC and UNCTAD was signed in April 1993. Under this MOU, UNCTAD will provide the SAARC Secretariat on a regular basis an updated copy of TRAINS containing data on trade control measures prevailing in several developed and developing countries. This will facilitate exports from SAARC countries to the rest of the world. The SAARC Secretariat in turn would provide data on trade control measures prevailing in the SAARC Member States.

SAARC Secretariat has now data on trade control measures prevailing in over 50 countries including most of the SAARC member countries. This information is available to SAARC Member States on request.

A Cooperation Agreement between SAARC and the United Nations Children's Fund (UNICEF), has signed. The agreement envisages cooperation in implementing the relevant SAARC decisions relating to children through annual agenda which include joint studies, exchange of documentation and monitoring of implementation.

A Framework Agreement for cooperation with Economic and Social Commission for Asia and the Pacific (ESCAP) has also been signed. The agreement provides for cooperation on development issues through joint studies, workshops and seminars and exchange of information and documentation in poverty alleviation, human resource development, trade promotion, foreign direct investment, environmental protection and prevention of drug trafficking, infrastructure development etc.

The Memorandum of Understanding signed with the Asia Pacific Telecommunity (APT) envisages cooperation in the development of telecommunications in the region through exchange of technical and operational telecommunications network. It also provides for collaboration in planning and development of networks, transfer of technology, training and application of telecommunications in health, education, transport, tourism, disaster relief etc.

Letters have been exchanged between the Chairman of the Council of Ministers and Vice-President of the European Commission in early 1994 regarding SAARC-EC Cooperation in the broad areas of exchange of information; institutional support/technical assistance/training; financing SAARC projects and assistance to SAARC Regional Centres.

In addition a Memorandum of Understanding for cooperation with the International Telecommunications Union (ITU) has been finalised.

Association Of SAARC Speakers And Parliamentarians

The Speakers of Parliaments of SAARC Countries first met in Sri Lanka in June 1992 and resolved to set up an association of SAARC Speakers and Parliamentarians. The Speakers of Parliaments then met in Kathmandu in November 1992 and formally launched the "Association of SAARC Speakers and Parliamentarians" and adopted the Charter of the Association. The Speakers Council which is the Apex Body of the Association finalised and ratified the draft rules of the Association prepared by the Parliamentary Secretaries-General in January 1994. The Heads of State or Government at their Seventh Summit in Dhaka welcomed the initiative of the Speakers of Parliaments of SAARC Countries in forming the Association. The Association had its last meeting in New Delhi in 1995.

THE PHYSIOGRAPHICAL UNITY AND DIVERSITY OF SOUTH ASIA

The countries of South Asia share a land mass which despite its great diversity, forms a remarkably self-contained geographical region. The geographic area known today as South Asia and referred to historically as the Indian subcontinent is composed of seven states viz., India at the centre, surrounded clockwise by Nepal, Bhutan, Bangladesh, Sri Lanka, Maldives and Pakistan. Afghanistan to the west, Myammar to the east and islands of Sechelles and Mauritius to the South also form part of the same tectonic complex. Almost resembling an enormous island, South Asia is cut off from the continent of Asia to the North by a massive mountain wall and protrudes to the South into the great Indian Ocean with a coast line of some 7000 kms Within the region, there are no insurmountable geographical barriers to hinder the flow of ideas, people, knowledge, technological advances and artistic and cultural movements from one end of the subcontinent to the other.

The physical composition of South Asia offers majestic contrasts. It comprises the youngest folded mountain chain of the world—the Himalayas, the oldest land mass the Deccan Plateau, the extensive alluvial plains of the Indus, the Ganges and the Brahmaputra, the most prosperous tropical coastal plains and chains of magnificently endowed big and small islands. One may say, South Asia is a physiographic mosaic, comprising arid deserts and towering, snow-capped mountains, rich fertile plains and gushing river valleys, dense forests, rain sodden deltas and coastal plains. The fact of these divergences lying within a geographic unity under the shadow of the Himalayas has helped to invest the region with a sense of common history and common destiny through the ages, notwithstanding its shifting political configurations and boundaries.

The Geology of South Asia

Since 1960 geologists have put forward new theories of plate tectonics, which have transformed the old concept of tectonic history.

It has also thrown new light on South Asia's geological origins.

The subcontinental land mass within which India, Pakistan, Bangladesh, Nepal, Bhutan, Sri Lanka and Maldives are set falls into three major geological regions, each quite distinct in its origin. The north is enclosed by the great arc of the Himalayas. They impart to the region a dramatic northern boundary. They also constitute a region of recent and continuing tectonic uplift which began less than 130 million years ago. To the south lies peninsular India, one of the oldest and least disturbed land masses of the world. Its rocks have never been extensively covered by the sea ever since their formation in the pre-Cambrian period over 4.5 billion years ago. However,they also include a number of sedimentary strata deposited by rivers and under glacial conditions. Between the Peninsula and the Himalayas lie the Great Plains stretching across Pakistan, India and Bandladesh from the Indus, the ancient Sindhu, through the doab of the Ganga and the Yamuna right upto the valley of Brahmaputra and finally taking in the deltaic low lands, the Sundarbans.

There is a fundamental distinction between the peninsular triangle of mainland India from the Aravalli mountains southward and extending upto Sri Lanka, and extra peninsular northern part of the subcontinent. The three billion year old peninsular part of India is separated from its Sri Lankan counterpart by shallows known as the Adam's Bridge. In contrast, the Maldives in the south west are coral atolls. The Maldives, and the Laccadives and Minicoy Islands of India, developed on the eastern coast of three submarine ridges, forked beneath the Arabian Sea which were pushed up during the last 50 million years as the ocean floor spread. Although ancient basement rocks are prominent in the Himalayan ranges, their origins are different from that of Peninsular India. The Indo-Gangetic plains mark a structural boundary between the Peninsula and the Himalayas and are a contrasting geological region having its own identity in the South Asian subcontinent.

Judging from a South Asian perspective, the Himalayas, the Peninsula, the Great Plains, the coastal plains, and the islands in the Arabian Sea, the Bay of Bengal and the Indian Ocean constitute a common mass geologically. Pakistan and India share with Nepal and Bhutan, sections of the Himalayan ranges and their foothills. Although the largest chunk of the Great Plains lies in India, the western portion lies in Pakistan's provinces of Sind and Punjab while the Ganga–Brahmaputra delta in the east comprises about 90 per cent of Bangladesh's surface area. Similarly Sri Lanka geologically shares the peninsula with India as indicated earlier. Thus the three fold division of the subcontinent remains a valid basis for identifying the main geological and physiographic features of the South Asian region in terms of its tectonic history.

The Physiography of South Asia

The Himalayas

As stated above, the Himalayas, the towering snow clad mountains, exhibiting a magnificent scenic galore, stand like a gigantic wall between the Indian subcontinent and the rest of the Asian land mass. The geography of a large part of the Himalayas still remains unexplored. They are not made of a single continuous chain or range of mountains but consist of a series of several more or less parallel or converging ranges, intersected by enormous valleys and extensive plateaus. The altitude of the region varies from 600 metres in low lying foothills to 6000 metres and above in the greater Himalayan zone. Mt. Everest, the world's highest peak (6,948 metres) is a part of this region distinguishing itself as the veritable crown of the entire subcontinent. It is rightly called Sagarmatha or "the Forehead of the Seas." by the people of Nepal.

The world's most poetic description of the Himalayas is probably contained in the works of Kalidasa, the poet laureate of Sanskrit literature. He depicts the Himalayas in the first verse of Kumarasambhavam thus :

> Astyuttarasyaam disi devataatma
> Himaalayo naama nagaadhiraajah
> Purvaaparau toyanidheevagaahya
> Sthitah prithivyaamiva maanadandah
> "In the North there stands like the scale
> Of earth's standards the divine-souled one,
> The King of Mountains, Himalaya by name,
> Overseeing the seas to the East and West".

The scale of the Himalayas is unparalleled indeed anywhere in the world, with 95 peaks reaching a height of over 6500 metres. Nowhere else in the world are the mountains as high. Although the Himalayan peaks and ranges themselves are recently-formed, the mountains include rocks from all major geological periods.

The first ranges to begin the mountain building process in the region were probably the Karakoram which may have begun their ascent more than 100 million years ago, followed by further major movements between 25 and 50 million years ago.

In the Eastern Himalayas there are ancient gneissic rocks that are more than 3000 million years old. In contrast to the Eastern Himalayas, the Shivalik ranges which run along the Southern flank of the Himalaya, from Pakistan eastwards to the Kosi river, are made up of a set of sedimentary deposits less than 5 million years old. The speed with which the Himalayas were raised meant that colossal amounts of debris were washed down to the plains at their foot. So the sediments are between 5000 metres and 6000 metres thick, although the Shivaliks rarely rise to more than 1000 metres in height. They have been raised to their present height in the most recent phase of mountain building, a process which is still going on.

Though quite recent in origin, the Himalayas are still being actively pushed upwards as the plate which bears the peninsula continues to move north under the Tibetan Plateau. The Himalayan Mountains proper, stretching from the Pamirs in Pakistan to the eastern most bend of the Brahmaputra in Assam were formed under the intense pressure and heat of the mountain building process. Largely crystalline, they comprise granites, gneisses, schists and non-fossil bearing sedimentary rocks, formed as the main mountain building period began. Before that the present Himalayan region and what is now the Tibetan Plateau had lain under the sea.

The Hindu Kush comprising the extension of the west end of the Himalayas run almost due south of the Pamirs through the west border lands of Pakistan and Afghanistan. The Hindu Kush are dominated by Permo–Carboniferous rocks, and to the south of the Khyber Pass are the sandstone ranges and the Safed Koh. Still further south, the border lands of Baluchistan fall into two distinct parts. To the West of a line running due south from Nushki, weak sandstones predominate in an extension of the Iranian plateau. To the east of this line are successive crests of north-south running limestone hills. These parallel ridges and valleys give dramatic views from the air and are clearly visible on routes to Europe from Delhi via the Gulf and northwards out of Karachi.

The Plains

The Great Plains are comparatively low-lying geographic regions, generally undulating and low altitudinal zones. Plains of South Asia almost cover 40% of the total land surface. Rising within 200 kms of each other, the Sindhu, the Ganga, and Brahmaputra rivers and their tributaries have created one of the world's densely populated alluvial plains. Now the home of more than half of South Asia's people, their geological origin lies some 40 million years ago. They were formed by the deposit of alluvium, notably from the Himalayas as the peninsula was impelled northwards into the Asian landmass. The boundary between the two land masses forms a zone where the South Indian plate is being inducted parallel to the Middle Ranges of Punjab and Dhauladhar. Today the alluvium reaches depths of over 500 metres in places between Delhi and Orissa. The boundary between the Plains and the

Himalayan ranges is the zone of continuing earthquake movements, the earthquakes being common from the western border land of Pakistan through Nepal and Bhutan all the way to Assam. Throughout the plains there are massive beds of clay and sandy or calcerous silts which are similar to the deposits of today's rivers in the region. The oldest deposits of Bhangar date from the middle pleistocene, approximately five million years before the present, and are found in West Bengal and Uttar Pradesh. The youngest deposits known as khadar dominate the Panjal in Pakistan. In the Gangetic delta of Bangladesh, khadar is confined to the vicinity of the present river channels.

Physiographically, the Plains can be stratified under three different heads,

- Great Central Plains: Western (Indus), Middle (Ganga), and Eastern (Brahmaputra)
- Coastal Plains: Western (extending from Karachi in Pakistan to Cape Comorin and further to the south of Sri Lanka) and Eastern (extending from southern coastal areas of Sri Lanka, Cape Comorin to Ganga-Brahmaputra Delta in Bangladesh and further extending to the south western edges of Bangladesh).
- The Great Thar Desert: Covering western edges of India and eastern part of central Pakistan (western and north-western part of Rajasthan and north-eastern Sindh and southern Punjab Provinces in Pakistan).

The Great Plains

This alluvial fill is of the greatest interest and importance, being the principal theatre of South Asian history, mainly of India, Pakistan and Bangladesh. World's most fertile and populated region, it extends for nearly 3,000 kms from west to east, and is about 150 kms wide in the east and around 480 kms in the west. It is believed to have resulted from the gradual infilling of an initial marine depression by detrital material.

Three great river systems, the Indus, the Ganga, and the Brahmaputra emerging from the Himalayan ranges, provide a perennial though uneven flow of life-sustaining water from the snow-clad mountains and are responsible for the origin of this plain region. Indus is the Greek variant of the Sanskrit word Sindhu. The Indian subcontinent derives its name from this river. In the ancient Persepolis inscription of Iran, Sindhu is referred to as Hindu from which the subcontinent derives its name as Hindustan, an entrirely geographical nomenclature which subsequently got distorted into a religious one. Before the partition of India, the word Yindu in China and the word Hindues in Latin America applied to all the people of the Indian sub-continent irrespective of their religion. In the Vedas, the entire subcontinent is called "Sapta Saindhav", the landmass with seven Sindhus. Every river of the subcontinent thus was called Sindhu after the mighty river which came to form the cradle of the subcontinental civilization.

The Western plain (region fed by the Indus and its tributaries) covers most of Pakistan's eastern territory and north west Indian low lands. Its undulated topography is marked by some sandy hills along with a few depressions. This feature is more predominant in Pakistan. Depressions are mainly filled up of rainy water, resulting into lake formation. Western plains are separated from eastern plains by Aravalli and the Thar desert. The Indus river with its five tributaries viz., Sutlej, Beas, Ravi, Chenab and Jhelum, is the main source of the development of this region.

Central plains, or the Gangetic plains, lie between the north-eastern flanks of Aravalli in north-west India and western Bangladesh. Ganga and its tributaries from northern flanks of the Deccan Peninsular region but pour billions of tons of clay, sand and silt into this region mainly from the Himalayan rim. Central plains cover an area of around 375,000 square kms The fertile nature of the region has resulted in its intensive use for agriculture and inhabitation by the huge mass of the South Asian population, making it one of the most congested parts of the world.

Eastern plains cover the low lying strip formed by depositions of the Brahamaputra river. The region covers the entire Assam Valley and northern parts of Bangladesh. The main river along with its torrential tributaries is prone to cause heavy destruction to life and property during the rainy season when it washes down banks completely.

Besides the great plains caused by the three major river systems, the eastern part of the nothern plains contains one of the world's largest deltas—The Ganga–Brahmaputra Delta. It covers an area of 1,86,000 square kms and is almost parallel to the sea level, so that water inundates the entire region during high tides, leaving it marshy for the whole year.

The Coastal Plains

Coastal plains run along 'the edge of the sea and oceans'. Coastal areas have played an important role throughout the history of human civilization. Very often the prosperity of a nation is counted on the ground of its coastal territory. The long coast line in South Asia is more or less regular in character, broken by few indentations of any magnitude. Flanking the entire shore, the coastal plains along the Western and the Eastern bank of the South Asian peninsula are very well marked. Visible from the west of Karachi in Pakistan, they extend all the way to the South of India, surround the whole of the Sri Lankan island and then end at the south eastern coast of Bangladesh. Geographically these coasts are bound by eastern and western Ghats in India and by central highlands in Sri Lanka. In Pakistan and Bangladesh as well as some parts of West Bengal, these coasts are the continuation of either the Northern plains or the deltaic areas.

The Western coast is very narrow except its north-western extremity near Karachi where it comes across a wide fertile fan shaped delta of the Indus river. On the other hand the eastern coast is comparatively wider and exhibits a deltaic chain extending from the south-west to the north-east. Kaveri, Krishna, Godavari, Mahanadi, Padma, Ganga and Brahmaputra produce the main pearls of the chain of deltas on the eastern coast.

Both eastern and western coastal plains are host to a number of harbours. Karachi, Kandla, Bombay, Marmagao, New Mangalore, Cochin and Colombo are the major ports of the Western Coast which have traditionally acted as bridge between the South Asian landmass and Africa, Europe and the Middle East. Tuticorin, Madras, Vishakhapatnam, Paradip, Calcutta, Haldia, and Chittagaon are the major ports of the eastern coast which connect the region with the eastern world of the Pacific and have acted as outlets of our civilization to lands as close as South east Asia and as far as China and Japan, and possibly to the America's through links across Alaska in prehistoric times and with the Mayan and Inca civilizations in more recent epochs of human history.

The Thar Desert

Located in the north-western part of South Asia, the Thar Desert covers part of Pakistan's as well as India's territory. This storm ridden region is completely dry, with wild winds blowing sands over bare rocks stretching from the west of Aravallies to the basin of the Indus river. It is thus mainly characterised by a sandy dotted plain, with hillocks and shifting sand dunes. The Thar region, geologically thought to be slightly newer than the alluvial formation in the east, is geologicaly described as the aeolian accumulation. It inhabits very few people with rare possibility for agricultural advancement. Historically, it has been a hindrance to the development of the region. The greening of the Thar under modern technologies is a very recent development in its long geological history.

The Peninsula

As recently as 50 million years ago, the land mass South of the line Karachi–Delhi–Calcutta lay in the southern hemisphere. Many of the rocks which form the peninsula and the related structures of Sri Lanka were formed along side their ancient neighbours in South Africa, South America, Australia and Antarctica. A major part of the Peninsula is made up of Archaen rocks, some of the oldest in the world. They are all highly crystalline, contorted and faulted. The oldest series are the Charnockites, named after the servant of the British East India Company and enthusiastic amateur geologist, Job Charnock. Along with the Khondalite rocks, these are over 3,100 million years old. Some of the most striking examples of Charnockite rocks are found in the Nilgiri and Palani Hills in Tamil Nadu. Other major areas of Archaean rocks are located in the Eastern ghats, in Rajasthan and the Aravalli Delhi belt and in Bihar and Orissa. The Charnockites extend themselves into the highlands of Sri Lanka.

Economically there are several very significant geological series in the peninsula. One is the greenstone belt, commonest in south India. Formed about 2700 to 3000 million years ago, these rocks contain gold, silver and copper. However, it is the deposits of very high grade iron ore which make these geological formations particularly significant.

The peninsula has extensive areas of ancient sedimentary rocks superimposed on the Archaean base. The oldest of these is the Vindhyan series, dating back to the pre-Cambrian period. The upper Vindhyan beds enclose two diamond bearing zones from which the Panna and Golconda diamonds have been mined.

The most important post-Cambrian system in the peninsula is the Gondwana series of sedimentaries. The antiquity of the peninsula has been proved beyond doubt by India's fourteen expeditions to the Antartica. These flat sedimentary strata, some 10,000 kms in thickness, were fluvial deposits laid down from the start of the Permian period some 250 million years ago. Economically, the Gondwana series is the most important in India, containing virtually all of India's coal resources in the Lower Gondwana series, and vital iron ore deposits too.

Some 60 million years ago great cracks developed in the earth's surface, allowing a mass of volcanic lava to well up from the deep, covering some 500,000 square kms of underlying Vindhyan sedimentaries and Archaean Rocks in North Karnataka, Maharashtra, Northern Gujrat and Madhya Pradesh. The deepest lava was near the fissures themselves, just inland in Bombay, where today they have depths of more than 5000 kms These volcanic rocks thin rapidly on the east. The opening up of these volcanic cracks was directly related to the separation of the Indian Peninsula from the African coastline, and the subsequent North Eastward movement of the Indian plate to its present location.

Although the Peninsula has none of the dramatic scenery of the

Himalayas, it is an area of great variety. The whole region is flanked by Western and Eastern ghats where ancient rocks have been tilted from the west to the east and the whole massif forms a triangle, tapering southward. The ghats are mainly composed of volcanic trap which melted along the line of weakness formed by the tilted edges of the massif. The whole plateau is drained by a series of short and swift rivers. Mahanadi, Godavari, Krishna and Kaveri rise along the western edges and flow into the Bay of Bengal resulting into engraved gorges and escarpments in the eastern ghats. Only Tapti and Narmada flow into the Arabian Sea. Rivers of the Sri Lankan island flow from highlands in the central part into north-east and south-westerly directions.

The Islands

South Asia has 8,523 square kms of its territory in the form of islands mainly represented by the archepelegic formation of Andaman and Nicobar islands (8,293 square kms) located in the centre of the Bay of Bengal; Maldives (298 square kms) in the north of the Indian Ocean; and Lakshadweep (32 square kms) in the southern Arabian sea. Further down South in the Indian Ocean are situated the islands of Mauritius and Sechelles. Although not members of SAARC, geologically and physiographically they are made very much of the same natural fabric as other island chains mentioned above. Sri Lanka is the largest of the South Asian islands.

Andaman and Nicobar islands geologically relate to a land mass that is mainly a part of the mid oceanic ridge (90 east ridge) which extends from the northern part of the Bay of Bengal to Sumatra. On the other side Maldives and Lakshadweep islands belong to two different groups of atolls.

In these dense scruby archaepelegic formations, islands are still in the process of both formation and decay. While some are constantly increasing in size, others are gradually being washed away. Population on these islands, partly tribal in character and partly of migrants from the South Asian land mass, is essentially thin due to the scarcity of natural resources. Modern technologies of exploiting resources and the tourist boom are, however, causing a lot of strain on their natural envronment, endangerig further their fragile existence.

The Climate of South Asia

The physiographical unity of South Asia is well reflected in its climate. The climate of a region is one of the important factors that determine the character, the distribution and activities of the humanity living there. South Asia, climatically a distinctive region called "Monsoon region", presents a picture where climate and physiography collectively leave their imprint on the masses of the region. North to south and east to west climatic variations in the region are very well marked and have affected the existence of man as an extra-ordinary acting agent. The Tropic of Cancer (23½° north latitude) cuts the region across into two main climatic zones, tropical and subtropical, respectively lying north and south of the dividing parallel. Both the climatic zones are fed by what is generally known as the "Indian Monsoon" which is responsible in controlling air movements over the region. Its location between the great north wall and the Indian Ocean in the south has also contributed to the unification of the region climatically. Three well marked seasons can be identified as summer followed by monsoon and winter influencing the life style of the people througout the region.

The sub-continent exhibits both vertical (more prevalent in the North region) and horizontal climatic variations (well defined over the entire region). The annual range of temperature varies from 20°C in the north to almost 3 to 5°C in the south of the tropic of cancer.

During summer, most of the northern part experiences temperatures above 30°C, both maxima and minima, with few exceptions in the Himalayan zone where the diurnal range of temperature is more than 15°C. The southern part of the region, due to its closeness to the ocean, remains moderate, with maximum and minimum temperatures varying between 25 and 30°C.

In the winter season the northern part comes under the grip of cold waves resulting in temperatures between 20 to 25°C with a few exceptions in the high Himalayan region where the temperature remains constant at or below the freezing point, while the southern part experiences temperatures between 20 and 30°C.

For almost two months the rainy season influences the life of the inhabitants throughout the South Asian region. The landward drift of the moisture laden air, the summer monsoon contributes to 90 per cent of the region's rainfall while the remaining 10 per cent is shared by retreating winter monsoon i.e., the sea ward drift of the air gaining some moisture from the Bay of Bengal and precipitation over the Eastern coast of India, Sri Lanka and other islands of the region. The existence of much of the flora and fauna of the region and the survival of human beings themselves in various parts of it have depended for ages on the behaviour of the monsoon. It has affected as much their productivity as their employment patterns and areas inadequately covered by it suffer from disasters periodically or even persistently as the case may be.

The South Asian Region records the world's highest rainfall.

The wettest parts of the world such as Cherapunji in Assam (432 inches rain) as well as some of the driest parts of the world such as the Thar desert, both impact on the life of millions of inhabitants in the region.

Climate of Various SAARC Countries.

INDIA

India's regional climates range from the desert heat of Rajasthan to the wettest area on the earth, the Shillong Plateau. Despite its tropical latitude, it experiences huge contrasts both of rainfall and temperature from region to region. Over most of India the normal progression of seasons is cool/dry, hot/dry, less hot/wet and back to cool/dry.

For most parts of India, May is the hottest month with mean maximum temperatures in excess of 40° from Nagpur to the northern Punjab. Over most of the southern and eastern peninsula, mean maximum temperatures in the hottest month are lower at between 35° and 40° and considerably lower at high altitudes as in the western ghats. Along the west coast, April is the hottest month as the onset of the southwest monsoon winds intensifies heat in advance of the rains.

Over most of India, January is the coldest month, although much of the central and eastern peninsula enjoys its coolest weather in December. Seasonal and regional contrasts in rainfall are more striking than contrasts in temperature. They reflect two important influences, India's latitudinal spread on either side of the Tropic of cancer and the particular form of highland relief. From Bombay southwards, the coastal fringe of the Western ghats intercepts the south west monsoon winds from May through to October, producing rainfall in excess of 4000 mm. Total rainfall in the internal peninsula rarely exceeds 800 mm until the east coast is reached. Assam records some of the highest rainfall totals in the world; over 20,000 mm having been recorded in the Shillong Plateau in one year. Total rainfall diminishes from West Bengal towards the north West. Delhi receives 600 mm a year on average and moving further south wards into Rajasthan rainfall totals are less than 100 mm.

There are however, some exceptions to the broad regional climatic patterns. Tamil Nadu in south eastern India is in the rain shadow of the western ghats when the southwest monsoon brings rain to the west coast. It receives most of its rain in October and December. In contrast Punjab receives winter rain through depression in the westerlies which prevail across northern India throughout the winter. Finally, the climate of the entire Himalayan region is modified dramatically by altitude. Temperatures drop with altitude producing a vertical transition from semitropical to Arctic conditions within a few miles.

PAKISTAN

Pakistan's climate is characterized by extremes of temperature and aridity. Temperatures are characteristic of subtropical desert region's, modified in the north and west by altitude. Mean maximum temperatures in parts of Sind exceed 45°C, although the Punjab is somewhat cooler. In winter the southern coast around Karachi retains some warmth, with mean minimum temperatures of more than 10°C but minimum temperatures drop sharply northwards. In most of the Punjab mean minimum temperatures are below 5°C in January and at the altitudes in the northwest frontier very much lower. The south merely receives 200 mm of rain each year and the wettest region of Punjab has an annual rainfall of 900 mm. As in the Indian Punjab, the westerlies bring rainfall in winter, although in the rest of Pakistan rainfall follows the general South Asian pattern of peaking between July and September.

BANGLADESH

Bangladesh experiences a much smaller climatic range than its surroundings in India. It is subject to the same broad monsoonal seasonal pattern that dominates the subcontinent, though with three, rather than four clearly defined seasons.

In the cool dry season, which lasts from November through to March mean minimum temperatures are between 10°C and 15°C, rising to mean maximum temperatures, of between 30°C and 35°C in April, the hottest month. April brings one of the most distinctive features of Bangladesh's climate, the severe north eastern storms. These storms are precursors of the main monsoon rains, which move across the Bay of Bengal northwest wards. Even in winter humidity remains above 75 per cent and at the end of the wet season, coastal Bangladesh is particularly subject to cyclonic storms which bring very heavy rainfall and high winds and floods.

NEPAL AND BHUTAN

Both Nepal and Bhutan enjoy climates that are severely modified by their predominantly mountain environment. The broad patterns of climate are dictated by the subcontinental monsoon system, in particular in the locations on the Southern flank of the Himalayan ranges. In the broader valleys such as Kathmandu, less than 1000 meters above sea level, mean minimum winter temperatures are below 5°C but mean maximum temperatures rise to over 25°C. Precipitation in much of Bhutan is over 4000 mm a year, but there are important valley areas that are much drier.

SRI LANKA AND MALDIVES

The location of the Maldives within five degrees of the Equator and Sri lanka's position slightly to the north east result in both having a more equable, oceanic climate than much of continental South Asia. However, Sri Lanka is still under the dominant influence of the monsoons. As a result, neither Sri Lanka nor Maldives has any great variation in temperature throughout the year. Mean monthly minima for Colombo are between 21°C and 23°C, while mean monthly maxima hover around 30°C throughout the year. Sri Lanka's central mountains do have an appreciable effect on temperature, though not of course on seasonality.

Sri Lanka's rainfall is particularly strongly affected both by the monsoon pattern and by its physical relief. Between April and June Colombo receives over 800 mm of rain, before receiving another peak of 700 mm in November and December from the north east monsoon. In sharp contrast, the northern and eastern parts of the island have a long dry season induced by the rain shadow effect of the central highlands until the northeast monsoon brings the bulk of its precipitation.

Climate has a strong bearing on the political, social and economic fabric of each society. This is as true of countries of South Asia as anywhere else. The monsoon, with its varied share of rain for each part of the subcontinent, diversely affects the environment there. That in turn influences the economy and life style. Even the physical characteristics of a people are directly related to the climate of the area they inhabit. In one's physical features, a man from the Himalayas is easily distinguished from the man from the coastal plains. Climate also determines the food habits and has a strong bearing on other aspects of culture. It also has a bearing on their development needs and their development goals. It is therefore central to their existence. Climatic similarities among SARRC countries have helped them develop common attitudes and common characteristics while climatic distinctions have helped them forge their identities. Climate thus is an essential component of their unity in the midst of their diversity and vice-versa.

Thus the South Asian region exhibits a unique state of man-environment relationship. This relationship involves diverse characteristics, an uneven population distribution and a complex economic structure. The mosaic of contrasts in the physiography of South Asia has resulted in the diverse character of its human population. The Great Himalayan Range, the Deccan Plateau, the Great Plains lying between these two categories, and the Islands have all affected the life style of a billion people living there in myriad ways economically, politically, and socially. Through the ages, however, people in each of these regions have remained conscious of their larger existence at the subcontinental plane from the Himalayas down and have interacted with each other with almost a genetic sense of their physiographical unity. That sense has never escaped their consciousness, so that the man in Maldives and Mauritius looks at Sagarmatha (Mount. Everest) with the same sense of wonderment and awe as the man in Kabul, Karachi, Kathmandu, Kanchipuram or Colombo as part of his eternal heritage. It is thus that a sense of physiographical unity in the midst of their rich political, cultural and social diversity has pervaded the South Asian lands from times immemorial.

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NATURAL RESOURCE ENDOWMENT OF SAARC COUNTRIES

The real strength of a country and its potential for future development depend considerably on the endowment of natural resources. The stock of natural resources, in turn, depends very largely on the geographical structure and climatic conditions of the region. The natural resource base comprising features such as land, water, flora and fauna, energy and mineral reserves is an important factor in determining the state of the economy and future development of each of the SAARC countries.

By definition 'natural resources' only become resources when they are of use to the human being. In that sense, the technology of use would be as important in calculating the availability of natural resources in South Asia as is knowledge of their existence and distribution. The quantum of the natural resource available changes with changing technology, not just with the depletion of certain existing reserves.

The South Asian region is both rich and poor in natural resources at the same time. While it has some impressive resources, it is far from being self-sufficient. It has 20 per cent of the world's population but only 3.31 per cent of the land area. It has less than one per cent of the world's resource of brown coal and lignite, crude oils, gold, lead, magnesite, magnesium, silver tungsten, zinc, asbestos and diamonds. In terms of its share in world output, it has 6.6 per cent coal, 5.5 per cent iron ore, 4.8 per cent phosphate rock, 4.1 per cent chromium ore, 3.4 per cent salt, 1.9 per cent bauxite, 11.5 per cent round wood, 8.5 per cent natural rubber, and 1.8 per cent uranium, while its share of the other minerals is less than 1 per cent.

The natural resources of the region are very unevenly distributed within the region, with the bulk of them concentrated in India. India has 72 per cent of the total land area, 84 per cent of the arable land and land under permanent crops, 81 per cent of forest land and 69 per cent of the irrigated land in South Asia. It has close to 100 per cent of the total regional resources of uranium, iron ore, bauxite, copper, gold, lead, manganese, silver, tungsten, zinc, asbestos, and diamond. It has more than 80 per cent of the region's resources of coal, crude petroleum, chromium, magnesite and salt.[1]

Pakistan is relatively better endowed with land resources. Pakistan has 162 people per square km. against India's 268 and Bangladesh's 830. With 9.33 per cent of the population of the region, it has 19 per cent of its land area, 10 per cent of its arable land and land under permanent crops, and 27 per cent of its irrigated land. It has substantial quantities of natural gas, rock salt and relatively small quantities of petroleum. It is poor in respect of other minerals. A large amount of coal deposits have been discovered but they are of poor quality. Most of its resources like copper, gypsum, chromite, marble and limestone are located in Baluchistan.[2]

Bangladesh is relatively poor in natural resources. With more than 10 per cent of the population of the region, it has only 3.2 per cent of its land area, 4.66 per cent of the arable land and land under permanent crops, 2.9 per cent of permanent pasture, 2.7 per cent of forest land and 2.8 per cent of irrigated land. It has some natural gas and small quantities of coal and fisheries resources. It has no other mineral resources.

Nepal has a large area under permanent forest but no known mineral resources. It is estimated to have 2.3 per cent of the world's total capacity to produce hydroelectric power, but so far the country has not been able to tap more than 0.03 per cent of that total capacity.

In Sri Lanka gem stones, graphite and other precious stones are the principal minerals with gems accounting for 5 per cent of all exports.[3]

The most important natural resources of Bhutan consist of its water potential for generating hydroelectricity, vast forest and different kinds of minerals viz. beryl, copper, coal, graphite, gypsum, lead, zinc etc. However, they have not been tapped due to labour scarcity.

The resource base is narrow in Maldives which lacks known minerals. The country is heavily dependent on fishing only. Fisheries and tourism, play an important role in the economy of Maldives.[4]

Altogether, however, the South Asian region can be said to be rich in the resources of the Himalayas, the Great Plains, the

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[1] See Socio Economic Profile of SAARC countries by T. Nirmala Devi, South Asian Publishers, New Delhi, 1994. p. 14

[2] Ibid, p. 14.

[3] Ibid, p. 14.

[4] See Urmila Phadnis and Ela Dutt Luithui, Maldives : Winds of Change in an Atoll State, South Asian Publishers, new Delhi, 1985, p. 20.

Peninsula and the resources of the sea which provide tremendous scope for regional cooperation. The very fact that the SAARC countries provide a single eco-system, makes the need for cooperation most imperative. The geographical unity of the South Asian landmass can be a decisive factor in cutting costs and enabling savings on items such as transport, labour and utilisation of local materials. Using its own reserve of resources, available technology and joint ventures and with investment from abroad in a fast globalising frame work, the SAARC region is just beginning to inject some dynamism in the process of its concerted growth.

Land Resources of the Region

As already mentioned, the land resources of the South Asian region as a whole are under severe stress as it possesses only 3.3 per cent of the world's land area for 20 per cent of the world's population. The land-man ratio is thus most unfavourable. However, it is reasonably good in terms of arable land and land under permanent crops as well as irrigated land which are required for agricultural production (see Table 1). Indo Gangetic Plains from Pakistan to Bangladesh are the most important soil of the region, providing the basis for settled agriculture. The region has the largest river and irrigation system in the world. It accounts for 25.4 per cent of the cultivable land resource of the developing countries and provides 23.3 per cent of the total cereal output of all developing counties.

The land use pattern in a region is as important as the availability of natural resources and skilled manpower. The distribution of land under different uses is significantly high in Bangladesh followed by India. The population pressure has brought the land-man ratio to very high levels in these two countries. The area under forest, permanent pasture and uses other than agriculture has sunk to very low levels in these two countries, leaving a very limited scope for bringing new land under cultivation.[5]

Only less than one-third of the land is under cultivation in Pakistan and Sri Lanka. Pakistan has more than 60 per cent of the area under forest, pasture and 'other' uses. Sri Lanka has 27 per cent of its area under forests and another 40 per cent under other uses. Both these countries have registered an insignificant growth in the area under cultivation. Nepal has less than one-fifth of its area under agriculture. Another one fifth is under forests and 50 per cent of the geographical surface of the country is under non-agricultural crops. Bhutan represents an exceptional case. Its forest area covering 55 per cent of the total area has also been growing further, thanks to the attention the Government and people of Bhutan pay to sustain the purity of their environment.

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[5] See Francis Robinson (ed), The Cambridge Encyclopedia of India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan and the Maldives, Cambridge University Press, New York, 1989.

Table 1 gives additional information about the natural resources and energy balances of the region as compared to some other developing countries and industrial countries. As seen from Table 1, internal renewable water resources per capita are the highest in Bhutan as a result of higher supply and lower demand. Bangladesh and Nepal to some extent have considerable resources per capita due to their river systems. Forest area as a percentage of land area is the highest in Bhutan and the lowest in Pakistan. Deforestation has been very high in Nepal and Sri Lanka though forest is crucial for ecological balance and energy needs. Higher commercial energy consumption per capita in India and Pakistan and their relatively high industrial growth lead to higher discharge of carbon dioxide in the atmosphere causing environmental hazards.

The Green House Index, (the net emission of three green house gases, Carbon dioxide, methane and chlorofluro carbons, weighing each gas according to its heat trapping quality) points to a high degree of pollution in industrial countries as well as developing countries. The index is high enough in Nepal, India and Sri Lanka to signal danger to the region as the following table shows:

Greenhouse Index per million people

Bangladesh	0.04
Bhutan	—
India	0.05
Maldives	—
Nepal	0.07
Pakistan	0.04
Sri Lanka	0.06

Source: Human Development Report, 1994

Forest is the natural cover for the majority of SAARC countries. Despite the crucial importance of the forest sector, it has been destroyed massively in the past years. The natural forests are declining rapidly, the remaining forest resource of the region being only 64,421 million hectares. Though the Himalayan regions of Pakistan, India, Nepal and Bhutan are losing their forest cover, they are yet the only forests that remain relatively uninterfered in the Indian Sub-continent.[6]

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[6] From the book Socio Economic Profile of SAARC Countries, p. 12.

Table-1

Natural Resources Balance Sheet of SAARC Countries

Countries	HDI rank	Land area (thousands of km²)	Population density (people per km² 1992)	Arable land (as % of land (1987–90)	Pesticide consumption (metric tons per 1000 people) (1982–84)	Forest area (as % land area (1979–90)	Production of fuel wood (% change) (1979–90)	Annual rate of depreciation (%) (1981–90)	Internal renewable water resources per capita (1000 m³) year 1990	Annual fresh withdrawal		Irrigated land (as % of arable land) (1987–90)	Share of global emission (green house index per million people) 1989
										As % water resources (1980–89)	per capita (m³) (1980–89)		
Bangladesh	146	144	830	69.3	—	15	31	0.9	11.7	1	210	24	0.04
Bhutan	162	47	34	2.4	—	55	7	0.1	62.7	—	20	26	—
India	135	3,290	268	55.6	0.06	22	24	0.3	2.2	18	610	25	0.05
Maldives	118	9.0	757	100	—	3	—	—	—	—	—	—	—
Nepal	149	141	146	19.1	—	18	29	4.0	8.9	2	160	28	0.07
Pakistan	132	771	162	26.3	0.01	5	43	0.4	2.4	33	2,050	75	0.04
Sri Lanka	90	66	268	14.3	0.04	27	18	3.5	2.5	15	500	29	0.06
Canada	1	9,980	3	—	—	—	—	—	109.4	2	1800	2	—
China	94	9560	124	10.3	0.13	14	19	—	2.5	16	460	46	0.08
Germany	11	357	225	—	—	—	—	—	1.3	27	698	1.3	—
Japan	3	370	329	—	—	—	—	—	4.4	20	920	4.4	—
USA	8	9370	27	—	—	—	—	—	99	19	2160	9.9	—

Source : Human Development Report 1994

Biological Resources in South Asia

Some of the earth's greatest resources are contained in species of plants and animals living in natural forests, mountains, plains, wetlands, marine and savanna habitats. These biological resources are the physical manifestation of the globe's biological diversity . Biological diversity is termed as the degree of nature's variety, including both the number and frequency of ecosystem and species of genes in a given assemblage. Biological resource has great potential for supporting sustainable development and improving national economies. Problems have arisen as human species have increased their demands manifold on the same resources as have thrived in this environment for countless generations. The depletion of these rich resources of forests, wetlands and sea are occurring at such a rate that they are rendered essentially non-renewable. The society at large often pays the cost of such resource depletion in terms of global warming and climatic change which leave aside immediate adverse local effects.

The major impression one gets of South Asia today is not so much of lush green forests, jungle or even open wood land as overwhelmingly of intensely cultivated fields or arid rocky hills or desert. But the veneration of trees and plant life in the region is older than their cultivation. As an important source of food, shelter, building materials, weapons and fuel, the tree has been an object of worship and a symbol or abode of a supernatural force in many early cultures of this subcontinent. The tree cult is an almost universal phenomenon, specially in tropical South Asia, one of the most heavily forested regions in the world. Many manifestations of the tree cult can be found specially in the Hindu and Buddhist religious practices. For example, the Bodhi tree is a symbol of the Buddha and commemorates his Enlightenment. The ancient Bo Tree at Anuradhapur in Sri Lanka goes back to the beginnings of Buddhism on the island and was a direct link between Sri Lankan Buddhists and their parent stock of coreligionists in the valley of the Ganges centuries ago. Similarly ancient traditions have forged a deep link between the people and the natural environment and its conservation and protection has been a part of the life of human beings. Animals and birds enjoy an important position in myths and legends all around the subcontinent. Ramayana, Mahabharata, Hitopadesha, all bear testimony to that as does the folklore in every part of the sub-continent. Even in civic life, the Ashokan edicts of the 3rd century B.C. list protected animals including the peacock, the national bird of India. It is interesting to note that India's national animal, the tiger, figures in the ancient Mohenjodaro civilization prominently like a national symbol as far back as 4000 years ago and is found extensively on their seals.

Flora & Fauna in Various SAARC Countries

BANGLADESH

The tropical climate and the fertile soil combine to clothe most of Bangladesh in an evergreen mantle. The greenery of graceful palms, dark mango groves, green splashes of banana chumps and the feathery bamboo shoots all are a feast to the eyes. There are ten principal families of plants in Bangladesh: (a) Gramineae (grasses), (b) leguminoseae (pulses, groundnut, tamarind etc.), (c) Cyperaceae (hedges) (d) Composite (sunflower, gujitil etc.), (e) Scrophulariaceae (some weeds of the rice field etc.), (f) Malaceae (cotton, lady's finger etc.), (g) Euphorbiaceae (castor oil, latkan etc.), (h) Conbolvulaceae (sweet potato, morning glory etc.), and (i) Labiatae (mint, basil and other herbs).

Some of the common trees of the Bangladesh countryside are mango, betelnut palm, Madaar and Hijol. Within the groves, jam, banana, coconut, khajur palm, and rattan palm are a common sight. Several varieties of orchids like calanthe, masuca and Dendrobium pieraidi are common.

The swamps, ditches and many of the water tanks contain a rich variety of species like the water lettuce, duck weed and water lily. No account of Bangladesh's vegetation can be complete without mentioning the Bengal Rose which is the only representative member of a genus (Rosacea) that is strictly extra-tropical. In addition, various strongly scented flowers like jasmine, Rajnigandha, Bela, Bokul and Kanuai are common.

In the forests, unlike most tropical areas, gregarious species are not uncommon in Bangladesh. However, from a forester's viewpoint Bangladesh is deficient in forests since only 9 per cent of the land comes under forest cover. Sal trees are found in Central and Northern regions. In the Sunderbans, Gewa and Sundri grow in large gregarious stand. The eastern forests are covered with Garjan and some species of tropical oaks and chestnuts.[7]

BHUTAN

The wetness of the Duars in Bhutan allows a lush forest vegetation to flourish with bamboos, ferns, hanging plants and giant orchids on banyan, giant sal and teak trees. At slithly higher attitudes, an abundant variety of trees can be found like polar, ash, aspen oak, conifers and beautiful rhododendron. Above 3,000 metres, bamboo and conifer forests take over, with fir, birch, cypress and pine. At 4,000 metres birch, pine and rhododendron dominate and then give way to juniper and a varity of bushes.

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[7] From South Asian Handbook, Trade & Travel Publications Ltd, 1991, Page 39.

INDIA

With a wide range of climatic conditions from the torrid to the arctic, India has a rich and varied vegetation, matched by only a few other countries of comparable size. India can be divided into eight distinct floristic regions, namely, the western Himalayas, the eastern Himalayas, Assam, the Indus plain, Ganga-Jamuna plain, the Deccan, Malabar, the Andaman and the Lakshadweep.

The Western Himalayan region which extends from Kashmir to Kumaon is rich in Chir, pine, other conifers and broad leaved temperate trees. Higher up, forests of deodar, blue pine, spruce and silver fir occur. The alpine zone extends from the upper limit of the temperate zone to about 4,750 metres or even higher. The characteristic trees of this zone are the high level silver fir, silver birch and junipers. The temperate zone of the Eastern Himalaya is marked by a large number of non-flowering plants like ferns, liverworts, algae and fungi. Many conifers, junipers and dwarf willows also occur in this region. The Himalayan region is rich in endemic flora, having a large number of plants and herbs which are not found elsewhere.

Sal, teak, mulberry, and ebony abound in the hilly region of the Western Ghats, Eastern Deccan, Central Plateau including Chotanagpur, hills of Madhya Pradesh and Malwa. The west coast of Peninsular India grows commercial crops such as coconut, betelnut, pepper, coffee and tea. Rubber, cashewnut and eucalyptus are also grown in that region. The Andaman region abounds in evergreen, semi-evergreen, mangrove, beach and diluvial forests.

India is floristically very rich. There are about 45,000 species of plants including shrubs in the country. The vascular flora, which forms its conspicuous vegetation cover, itself comprises 15,000 species. India also has a rich variety of fruits like mangoes, pineapples, apples, grapes, guavas, papayas, pears, oranges, leachies, apricots, jackfruit, and many other local fruits.[8]

MALDIVES

Maldives comprises a group of islands around the fringes of shallow lagoon. The vegetation consists of tall coconut palms and salt resistant bushy plants too. Coconut and breadfruit grow in profusion while others such as mangoes, papayas and sweet potatoes, pumpkins and plantains are found on some of the inhabited islands.

NEPAL

Due to extreme altitudinal differences the climatic variations in Nepal are very sharp, ranging from humid tropical to arctic alpine type. These climatic differences together with the southwest monsoon have a combined influence on the floral composition and faunae distribution in Nepal. The lower valleys of Mount Everest are mostly covered by bluepine, fir, and juniper forests. At 3,600 metres to 4,200 metres altitude, birch and rhododendron forests are commonly found. Juniper and rhododendron scrub grows at 4,700 metres and continues upwards in decreasing height.

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[8] South Asian Handbook, Trade & Travel Publication Ltd.

The Central Himalayan region of Nepal contains the greatest range of vegetation from subtropical to alpine zones although noticeably lacking in faunal variety.

The remote north west region of Nepal has trees which are usually conifers. The mid-west mountain region represents a trans-Himalayan ecosystem which has a typical Tibetan type of flora and fauna, marked by the presence of rare herbal plants and animals ranging from the yak to musk deer.

The southwest corner of Nepal in the riverine plain of Mahakali River is a large area of open grassland, sal forest, khair sesame forest and mixed deciduous forest.

PAKISTAN

Shisham and mulberry are the two important trees found in Pakistan. Along the banks of big rivers, specially the lower Indus, there are riverine forest where Shisham, babul, pipal, jand, farash, kikar and karil cover a wide area.

In the northern mountains, the flora is dependent on rainfall and elevation. In the foothills below 915 metres are forests of Chinar, wild olive, phulai and kao. Above it, deodar and other Sal wood trees grow in abundance. On the slopes are walnut, oak and chestnut trees. On an elevation of 1,525 metres grow long leaved pine and blue pine. In still higher mountain ranges grow pine, maple, polar, horse chestnut, ash spruce, yew and fir. Above the height of 2,745 metres, the birch with white bark, juniper and dwarf willow are found.

Pakistan grows a large variety of fruits like mangoes, grapes, pears, apples, dates, bananas, plums, guavas, papayas, oranges and a variety of citrus fruits. In the northeast Baluchistan, where rainfall is better and irrigation facilities exist, there are rich gardens of apples, apricots, almonds, plums, cherries and grapes etc.

Due to scanty rainfall, the natural vegetation in many parts of Pakistan consists of tough, wiry grass or dry stunted bushes with a sprinkling of trees in less dry areas.

SRI LANKA

South Asia's most luxuriant manifestation is witnessed in the primeval rain forest in Sri Lanka covering the mountain tracts and hilly lowland areas such as the Peak Wilderness around Adanis

Peak and the Sinharaja Adarya, 'The Great Forest of the Lion King.' In a very poetic description, George Davson Winious in 'The Fatal History of Portuguese Ceylon' speaks eloquently of Sri Lanka's rich and valued flora as follows: 'Ceylon's jungles are among the world's gaudiest; there is scarcely a season when there is not a flower, either with the waxy blossoms of the iron tree, with gold-veined dark velvet "Wanna Raja" orchids, the crimson and tangerine petals of the Ashoka and coral trees, or with lilac, and yellow bloom of creepers. The framework of the woodlands is provided by the majestic teak, spreading Kambuk trees, slender talipot palms and by snake trees whose roots twist as if in serpentine agony."

As rich in its own way as Sri Lanka's rain forest is the man-made environment in that country of food bearing and otherwise economically useful trees and plants: jak and breadfruit; commercial crops such as tea and rubber, a vast array of spices and aromatics like cloves, cinnamon, cardamoms and nutmeg; numerous trees valued for their timbers, including rare and beautiful tropical woods such as ebony, calamander and tamarind; and a myriad fruits—mango, pineapple, papaya and bananas being the most common. Beside these, there are a host of trees, plants and creepers which are known for their flowers or their colourful leaves.

Wild life

South Asia possesses an enormous diversity of wild life; yet today several species are at risk, and many more owe their continued existence to the development of reserves. There are over 2,000 species of birds, over 500 species of mammals and several hundred species of reptiles in South Asia. All the countries in the region are taking steps to preserve their wildlife heritage. The larger countries have created national parks. Even the tiny state of Bhutan has declared approximately one fifth of its total area to be a nature reserve. In India 25,000 sq. km. were set aside in 1973 for Project Tiger, just part of a much wider programme covering 250 reserves on the whole. There are big reserves in Pakistan, Nepal, Bangladesh and Sri Lanka, and even the Maldives has adopted a strict attitude in regard to the exploitation of its precious species of coral.

Sri Lanka has one hundred species of mammal, Bangladesh twice as many and India twice as many again. Elephants are the most striking of the mammals and the most economically important for there are many areas where they are put to work. One of the distinctive features of Indian elephants is the fact that only the male bears tusks. Much of the elephants natural habitat has been destroyed but there are approximately 6,500 elephants living in the wild in northern West Bengal, Assam and Bhutan. There are a further 200 in the Chittagong Hill Tracts of Bangladesh, 2,000 in Central India and 6,000 in the three South Indian states of Kerala, Tamil Nadu and Karnataka.

The subcontinent's second largest mammal, the one horned rhinoceros, once found right across the Indo-Gangetic Plains is also under threat. There are about 1,500 only left now in three locations of Assam, northern W. Bengal and Nepal. Occasionally the smaller Sumatran rhinoceros is seen in the Chittagong Hill Tracts.[9]

The members of the cat family have also been drastically reduced. Tigers are down to around 2,000 in South Asia with about 600–700 scattered among the sub Himalayan regions and Bangladesh. Cheetahs are already extinct, and the only lion species, the Gir, was down to fewer than 200 until a successful breeding programme in the Gir sanctuary in Gujarat brought some recovery in their numbers.

South Asia has three varieties of leopard. There are snow leopards in the far north of Pakistan and in the high Himalayas of Bhutan. The arboreal clouded leopard is still found in northern Assam, Nepal, Bhutan, and Chittagong Tracts of Bangladesh, while India's most famous leopard, the black panther, is found throughout its original territory. Desert and jungle cats and caracal are found in Pakistan and North West India. Lynx live up to altitudes of 3,000 meter in the ranges of Gilgit, Ladakh and neighbouring Tibet. The Himalayas remain a vitally important region for other species of wildlife, too, like Brown, Black and Sloth Bears.

Both in the Himalayan region and in game reserves in the Peninsula, there is a wide range of wild species of cattle, sheep and goat. One of the most impressive is the Gaur or Jungle Bison which is found in the game reserves of South India such as Bandipur and Madurmalai and in parts of Nepal. The Wild buffalo lives in the forests of Assam and central India, while wild yaks are found in Nepal and in Ladakh in India. There are four South Asian species of wild sheep and five species of wild goat.

Deer is found in the whole region. Reserves have made it possible for the large Barasingha or Swamp deer, to survive in Western Nepal, Assam and Madhya Pradesh. The smaller Muntjac, or barking deer are found extensively on the lower, wooded slopes of the Himalayas, and in forests of South India and musk deer live in the buck woods and higher forests of the Himalayas.

In the whole of South Asia the Rhesus Macaque and the langur are quite common species of monkeys. The Assamese Macaque, the Pig Tailed Macaque of the Naga Hills and the Bonnet Macaques all live in the Northern regions of South Asia. The common Langur, which is found in most South Asian forests has several variants;

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[9] Ibid, p. 42

Nilgiri Langur, the Capped Langur of Assam and the Chittagong Hill Tracts and the Golden Langur of Bhutan. Sri Lanka has its own variety of Macaque and langurs, such as Ceylon Grey Langur and the Bear Monkey.

There is an enormous range of small mammals, some which are omnivorous. Civet Cats are widespread from Sri Lanka northwards, as much in the Himalayas as in South India. Others are found in the Sunderbans of W. Bengal and Bangladesh. They have been trained to catch fish. There are over two dozen species of weasels, ferrets and badgers in South Asia.[10]

Insectivores such as shrews, hedgehogs, and moles are common in many parts of South Asia including Sri Lanka. The Flying Fox is common and rodents and squirrels are ubiquitous in the region.

Mammalian life is not restricted to the land. In the rivers of the Ganga-Brahamaputra delta thrive dolphins and tortoises, also to be found in the Indus. Gangetic dolphins often move far into land as they tolerate fresh as well as salt water.

South Asia has 200 different species of snakes alone, many of which are not poisonous. Cobras and Kraits are the most dangerous species. The King Cobra which live in the tropical rain forests and may reach lengths of over 5 metres, are by far the largest poisonous snakes, though both the Rock Python and the Reticulated Python are even bigger. Vipers such as the Himalayan Pit Viper and several species of Sea Snake are further examples of poisonous snakes found in Nepal.

The Blunt Nosed or Marsh Crocodile (the Magar) is still found in the Terai of Nepal, but the Gharial has only just survived as a result of government efforts to protect it. The big Estuarine Crocodile is still found in the Padma in Bangladesh and the Mahanadi in Orissa. All five species of Monitor Lizard, found in both forests and deserts are endangered. In Orissa there are about 300,000 Olive Ridley Turtles breeding; others live in the Sunderbans of Bengal. Green Turtles and Olive Ridley Turtles also breed on the beaches immediately to the West of Karachi and Hawksbill turtles breed in South Tamil Nadu.

There are over 2,000 species of birds in South Asia, reflecting its tropical location and traditionally forested environment. Most species originated in the tropical oriental region, although some undoubtedly have African origins. There are also a large number of migratory birds such as ducks, cranes, swallows and fly catchers which come annually from Central Asia over the Himalayas.

Pakistan and North India are the home of some of the world's

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[10] Francis Robinson (ed). The Cambridge Encyclopaedia of India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan & Maldives, Cambridge University Press, New York, 1989, p. 5–11

TIMES OF INDIA
Monday March 18, 1996

Single-horned rhinos are on the verge of extinction

The Times of India News Service, March, 17, 1995.

JALPAIGURI-- The famous great Indian one-horn rhinoceros, found at the Jaldapara and Garumara wildlife sanctuaries in this district is suffering from, what experts call, genetic depression leading to a sharp drop in their number. "The number of rhinos has reduced so alarmingly that new births are rare, "says a forest official.

In a move to initiate fresh breeding, the government recently released two grown-up rhinos of the Kaziranga "variety" in these sanctuaries. Madhu and Ratul, as they have been named were about to be drowned in the flood waters that damaged the Kaziranga wildlife sanctuary in Assam last year. But they were miraculously saved and kept in a zoo till the West Bengal government came forward to their final rescue.

"Now breeding of rhinos is one of the major highlights of the new forest management plan, "says divisional forest officer (DFO) V.K. Yadav.

In fact, the tall riparian grasslands commonly found at these sanctuaries, are the favourite homes of the rhino with ancestry dating back to the geological age of pliocene in the Indian sub-continent.

Wildlife experts attribute the near extinction of the rhino to poaching. Recently, a gang of smugglers from Assam and Arunachal Pradesh was found engaged in poaching in the Dooars region. Sources revealed that precious rhino horns and tiger bones were finding their way to Myanmar via. Assam and Arunachal Pradesh.

A women's protection force, from among the families of the forest guards, has been constituted by Jaldapara forest officials to gather intelligence about poachers and timber smugglers. Timber smugglers and poachers are reported to be using local women for a "dry-run" inside the forests before they actually commit a crime. "This women's force is an extension of the community participation programme under the joint forest management plan," says Mr. Yadav.

Besides poaching of rhino horns, felling of khair trees has also contributed to the destruction of the rhino habitat. The original inhabitant of the region developed a cottage industry based on the byproducts of khair, which is used in paan for colour and taste.

"The forest department has initiated stringent action on such activities which mushroomed decades ago around these places, "says DFO Mr. P. Vas. "Eco-development committees have been constituted to secure the needs of the poor households in the vicinity. In exchange, they have been told to protect the forest, " says Mr. Vas.

The local leaders consider poverty to be the main reason for the main reason for the local people's perpetual dependence on these forests for survival. This part of Jalpaiguri district has a mixed population. People of Bhutanese, Nepalese and Bangladeshi origin have settled down in this region, leading to considerable pressure on the forests.

Most of the local tribal inhabitants of the area are poor and depend on seasonal agriculture. They are perpetually in debt as the dual menace of flood and animal depredations cause loss of life and crops every year. Since this part of Bengal is industrially backward, unemployment is the major problem of the area.

"Unless these problems are taken into account and unauthorised settlements scaled, wildlife poaching and timer felling will prove useless," says a panchayat pradhan at Matarihat. Joint Action committee meant for forest protection will prove useless." says a panchayat pradhan at Madarihat.

However, Mr. Yadav feels there is yet another problem which has not got due attention. "The rivers along these sanctuaries are changing course and heavy floods occur in the area every year risking wildlife to a great extent. The authorities need to formulate a long term flood management programme for these sanctuaries without any loss of time," he says.

finest birds of prey. Eagles and Falcons are very common. Equally, fishing birds such as egrets are a common sight along any stretch of water or in irrigated fields.

South Asia has an enormous variety of small and colourful birds also. Parakeets, woodpeckers and kingfishers abound, while various song birds such as the Indian mynas complement the range, the wealth and colour of South Asia. Wildlife is symbolised most effectively perhaps in the dramatic plumage of India's national bird—the peacock, which has its habitat in almost every state of India.

Inspite of having a rich wildlife, India's biological resources, its species, habitats and ecosystems, all are under threat from the growing population, unsustainable consumption patterns, pollution, wasteful resource use, and global change. Like elsewhere in the world, in the SAARC countries too, we alter hydrological cycles and climate by damaging the highly diverse ecosystems that support the world's species, and degrade environment building and pollutant-absorbing mechanisms. Tables 2 & 3 present current data on the status of rare and threatened wild life and plant species in SAARC countries. Data are almost complete for plants whereas little is known about the total and threatened members of reptiles, amphibians and fish (Table below).

TABLE 2

SAARC Region's Threatened Animal Species, 1990

	Mammals (Nos)		Birds (Nos)		Reptiles (Nos)		Amphibians (Nos)	
	Known species	Threatened species	Known species	Threatened species	Known species	Threatened species	Known species	Threatened species
Bangladesh	X	15	X	27	X	14	X	O
Bhutan	X	15	X	10	X	1	X	O
India	341	38	1,178	72	400	17	181	3
Nepal	X	22	X	20	X	9	X	O
Pakistan	X	15	X	26	X	6	X	O
Sri Lanka	X	7	X	8	X	3	X	O

Source: World Resources, 1992–93.

X–Not available; O–No species listed as threatened at present;

Despite having some of the world's best biological affluence and natural beauty, South Asian forests and wild life face some of the most serious conservation problems in any region in the world today. (Table 3). Most of these problems stem from poverty and a high rate of population growth. The disastrous effects of deforestation lie in the massive erosion of soil which is washed down beyond the borders of Nepal and Bhutan into the river systems of North India and Bangladesh. Silt deposited in the delta of the Ganges in

Bangladesh causes yet more flooding, and rivers that were once navigable must now be continually dredged. (Table 4).

TABLE 3
Rare And Threatened Plants In SAARC Countries

	No. of plants	Endemic flora as %age of total	No. of rare & threatened plant	Rare & threatened plant per 1,000 existing	Rare & threatened plant per 10,000 sq.kms (a)	Red Data book or list	No. of botanical gardens (b)	Members of BGCI (No.) (b)
Bangladesh	5000	X	6	1	3	No	2	0
Bhutan	5000	10–15	6	1	4	No	0	
India	15000	30	1349	90	206	Yes	68	7
Nepal	6500	5	21	3	9	No	1	1
Pakistan	5,500–6000	6	8	1	2	No	5	0
Sri Lanka	3700	23	209	56	113	Yes	5	5

Source : World Resources 1992–93.

Preservation of biodiversity in the SAARC Countries

All the countries in the SAARC region have given importance to the preservation of their biological resources and the ecosystem. The Government of Bangladesh identified the year 1990 and the following decade as "The Year of Environment" and "The Decade of Environment" respectively. In order to ensure environmental protection and achieve sustainable development, the Fourth Plan of Bangladesh accords priority to (1) Improvement of institutional framework (2) Preparation of regional environmental development issue (3) Development of technological capabilities on environmental protection, preservation and promotion (4) Human resource development & research programmes (5) Development of appropriate environmental quality standards in Industry (6) Public awareness creation programmes and (7) Study of mangrove ecosystem.

The scenario of biological resource depletion is a matter of grave concern in India too. The protection, regeneration and sustainable use of natural resources entail the decentralization and community control over them through appropriate local institutions. A framework of policies pertaining to forestry and environment already exists in the form of a number of policy documents etc. What is needed is a comprehensive national policy on nature and natural resources. Community action based on native wisdom can do much for environment preservation. One success story about environmental regeneration relates to the efforts of women of Tehri Garhwal District of Western Himalayas who successfully afforested vast tracts of the mountain terrain.

Table 4

Average Annual Deforestation

	Extent of forest and woodland (1980) (000 ha)				1981–85				Most recent estimate (a)		Average annual refores- tation on 1981–85	Managed closed forest 1980 (000 ha)	Protected closed forest 1980 (000 ha)
	Natural forest		Planta- tion	Other wooded area	Closed forest		Total forest		Year of data	Extent (000 ha)			
	Closed	Open			Extent (000 ha)	%	Extent (000 ha)	%					
South Asia	60,653	5,908	2,494	17,906	305	0.5	307	0.5	1981–90	400	17	33,122	7,369
Bangladesh	927	X	128	315	8	0.9	8	0.9	X	X	1	795	52
Bhutan	2,100	40	7	230	1	0.1	1	0.1	X	X	1	0	X
India	51,841	5,393	2,068	14,848	147	9.3	147	0.3	1983–87	48	138	31,917	6,779
Nepal	1,941	180	19	340	84	4.3	84	4.0	X	X	4	X	330
Pakistan	2,185	295	160	1,015	7	0.3	9	0.4	X	X	7	410	15
Sri Lanka	1,659	X	112	1,068	58	3.5	58	3.5	X	X	13	X	193

Source: World Resources 1992–93

X = not available

In Pakistan concern for environmental degradation has resulted in the Environmental Protection Ordinance in 1983. In 1992, the Cabinet accorded approval to the National Conservation Strategy (NCS). In keeping with NCS, the Eighth Plan focuses on conservation of natural resources and sustainable development. This is sought to be achieved by greater people's participation in development and environment management under the National Rural Support Programme.

Under the shadows of their fragile mountains, the people of Nepal are now realizing that ignoring ecological imbalances make economic development impossible. It is worth remembering that the relationship of humans and environment is symbiotic and that humans have a normal responsibility to respect nature for their own survival on this planet. The two Himalayan Kingdoms of Bhutan and Nepal and the Himalayan states of India can learn from one another in meeting the needs of the people and promoting conservation of their environments for sustainable development in the North Eastern subregion of this sub-continent. The Chipko movement has been of significance to all these territories at one and the same time.[11]

A system of national parks and reserves has been established throughout the Himalayas. This network which covers almost 9 per cent of Nepal and 20 per cent of Bhutan, has been designed to protect a representative sample of each ecosystem. Such an extensive system of protected areas is a remarkable achievement for countries facing severe economic pressures.

Despite the significant progress achieved the protective network is far from complete. A mechanism should be worked out under the aegis of SAARC for the entire region for baseline research, species recovery efforts and innovative programmes to educate local people about conservation values. Further emphasis needs to be placed on inspiring in-country conservation expertise and aware-ness through training, environmental education and public outreach; developing eco-tourism in protected areas; expanding the protected areas system to ensure adequate representation to maintain forests; and assessing the status of certain threatened species with a view to ensure their survival. It would be useful to create a SAARC Environmental Board for this purpose. It could consist of official representatives of the seven SAARC countries and some representation from the NGO's active in the field. Its primary responsibility should be to monitor the ongoing damage to the environment, and the impact of remedial measures under-taken as an aide to official environmental agencies in each SAARC country.

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[11] World Resources, 1992–93

Mineral Resources

Though endowed with impressive quantities of certain minerals, the region as a whole is poor in mineral resources in terms of its share of the world's output as pointed out earlier. With a few exceptions mineral deposits in the region are confined to peninsular India. There is a heavy imbalance, therefore, in terms of each country's share of natural resources in the region.

BANGLADESH

Few countries are as void of mineral wealth as Bangladesh. Its minerals mainly include salt, limestone, white clay & glass sand. Composed in the main of deltaic sands, silts and clays, Bangladesh has only a few deposits of hard rock boulders found on its northern borders. Concrete aggregate is normally obtained by crushing kiln fired bricks by hand. Small reserves of limestone in Sylhet support cement factories which use natural gas fuel. Bangladesh produced about 1,00,000 thousand metric tonnes of crude steel in 1990–92.

BHUTAN

The exact magnitude of Bhutan's mineral resources is unknown as only 30 per cent of the country has been mapped geologically. Mineral prospecting has been undertaken mainly in southern foothills and inner Himalayas as prospecting in other areas is constrained by lack of infrastructure. Geological mapping has indicated the occurrence of coal, limestone, dolomite, talc, marble, gypsum, slate zinc, lead, copper, tungsten and quartzite deposits. Coal is mined on a small scale in Bhangtar in the Samdrup Jongkhar area and exported to neighbouring tea estates of India as well as Bangladesh. Large dolomite deposits occur close to the border with India. Gypsum is mined in Pema Ghatsel for use in cement plants. A quartzite mine is being opened in Chukha for export of quartzite lumps to India and Bangladesh. Considerable amount of limestone is mined for manufacture of portland cement and calcium carbide.

NEPAL

As a land cradled in the Himalayas, Nepal is paradoxically poor in mineral resources. A little limestone for cement-making, some mica and a few deposits of magnesite are the sum total of Nepal's interest in mineral extraction at present. A proposal to smelt local iron ore using charcoal as fuel has been abandoned in view of the severe depletion of forest resources.

INDIA

India has the lion's share of the region's mineral resources. It has 99 per cent of the region's total resources in respect of uranium, iron ore, tungsten, zinc, bauxite, asbestos, copper, gold, lead, diamonds and manganese. It has more than 90 per cent of the resources of coal, crude petroleum, chromium, magnetite, and salt. India is a leading world producer of iron ore. Its total annual product was 34569 million metric tons in 1992. Although iron ore is widespread in peninsular India, particularly in Goa, Karnataka and Madhya Pradesh, some of the world's largest deposits are concentrated in Orissa and Southern Bihar. With reserves of over 9300 million tonnes of hematite, India is more than self sufficient in it for well over one hundred years. Chromate, an important source of the ferro alloy, is found in several parts of the peninsula.

Among non-ferrous metal ores, India is self sufficient only in aluminium. India produced 570 million metric tons of aluminium in 1992. Bauxite is mined around the coastal margins of the peninsula and in its north eastern interior. India produced 490 million metric tons of copper ore in 1992 and expansion of copper ore production promises ultimate self sufficiency. Copper ore is mined in Bihar and Rajasthan, where also lie the important lead zinc complexes. Zinc ore production was 153 million metric tonnes in 1992–93. Zinc metal's production was 128 million metric tons and imports about 400 million metric tons worth US$ 51 million. As far as crude steel is concerned, India produced 18 million metric tonnes of crude steel in 1992–92 & 15.1 million tonnes of finished steel in 1993–94. Lead production was 3.7 million metric tonnes with imports being 6 million metric tonnes. India produces sufficient amounts of manganese, phosphate rock and sulphur, too. Beach sands in Kerala yield ilemenite and rutile, sources of uranium, and thorium. India produced 290 million metric tonnes of uranium in 1992–93, (cf. China 600 million metric tonnes). Gold is mined at Kolar near Bangalore at a depth of nearly three thousand meters. India's non-metallic minerals include mica, important to the electronics industry, mainly from Bihar. Rock phosphate which is mostly found in Rajasthan and Uttar Pradesh had a production level of 570.7 million metric tonnes in 1991–92. Alluvial deposits derived from the ancient rocks of peninsular India have yielded some of the world's most famous diamonds, like the Koh-i-noor believed to have come from the Krishna district of Andhra Pradesh. A belt of sandstone in Madhya Pradesh currently yields industrial diamonds which meets half of India's needs.

PAKISTAN

Pakistan has only a few mineral resources. A large amount of coal has been discovered but of rather poor quality. Most of the resources like copper, gypsum, chromite marble and limestone are located in Baluchistan. At one time it was hoped that the local iron ore could be used for the country's steel industry, but its quality has proved unacceptable. Pakistan has abundant supply of dolomite and magnesite for refractories and rock salt. Pakistan produced 6 million metric tons of Bauxite, 1 million metric tonnes of crude steel, 23.7 million metric tonnes of aluminium, and 26000 tonnes of sulphur in 1992. There have been recent reports of its having found some uranium deposits.

SRI LANKA

Although geologically a detached portion of the mineral-rich plate that constitutes peninsular India, Sri Lanka does not share its neighbour's mineral wealth. Ilmenite and rutile from beach sands on the northeast coast, and gemstones, graphites and other precious stones from rocks in the interior are the principal minerals with which Sri Lanka is endowed. Gems are among the chief minerals mined & exported. Precious and semi precious stones are found in the valleys of the Ratnapura district in the South West. The most important are sapphire, rudy, beryl, topaz, spinel, garnet and tourmaline. Graphite is also important. Three important mines at Bogala, Kahatagan and Kalangaha are the chief producers of these gems. In addition, Sri Lanka produced about 32 million metric tons of phosphate rock in 1992.

A relative picture of the mineral resources of the SAARC countries is given in Tables 5 and 6.

TABLE 5

Production of Minerals : 1992

	Unit tonnes	Bangla-desh	India	Nepal	Pakistan	Sri Lanka	USA	China	Japan
Bauxite	000	—	4987	—	6.0	—	42044.0	6000	0
Chromate	000	—	642.0	—	—	—	—	—	—
Copper ore	000	—	49.0	—	—	—	1760.5	390.0	12.1
Limonite	000	—	—	—	—	—	—	—	—
Iron ore	million	—	34569	—	—	—	34705	68578	22
Lead ore	000	—	1500	—	—	—	—	—	—
Lead metal	000	—	1500	—	—	—	—	—	—
Manganese ore	000	—	—	—	—	—	—	—	—
Rutile	000	—	—	—	—	—	—	—	—
Tungsten	000	—	—	—	—	—	0.1	20.5	0.3
Zinc metal	000	—	—	—	—	—	—	—	—
Crude steel	000	100	18117	—	1000	—	—	—	—
Alumina	000	—	742.0	—	—	—	2592.5	790	357
Aluminium	000	—	570.0	—	23.7	32.0	4042.1	1080	18.9
Tin ore	000	—	0.1	—	—	—	—	45	—
Tin metal	000	—	—	—	—	—	—	0.4	0.8
Tungsten	000	—	0.0	—	—	—	—	—	—
Sulphur	000	—	2430	—	26.0	—	—	—	—

Source : U.N. Energy Statistics Year Book—1992.

Table 6

Production of Metals

	Basic metals				Iron and Ferro alloys								Light metals			Metal reserve index (%)
	(million metric tonnes) (of metal content)				(million metric tonnes)								(million metric tonnes)			
	Copper	Lead	Tin	Zinc	Iron	Man-ganese	Nickel	Chro-mium	Cobalt	Molyb-denum	Tung-sten	Vanadium	Bauxite	Titanium	Lithium	
World	321,00	70.44	5.93	143.91	64648	812.8	48.66	418.90	3.31	6.10	2.35	4.27	11559	288.6	2.21	100.00
India	3.0	0.10	0.00	5.00	3.300	17.2	0.00	18.10	0.00	0.00	0.01	0.00	1.000	35.4	0.00	2.23
Pakistan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20	0.00	0.00	0.01
Sri Lanka	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.4	0.00	0.10
Bangladesh	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Maldives	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Nepal	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
China	8.00	6.00	1.50	5.00	3500	13.6	0.73	X	0.00	0.55	1.05	0.61	150	30.0	X	8.39
Japan	1.00	0.80	0.09	4.00	13	0.00	0.00	0.00	0.00	0.00	0.01	X	0.00	0.00	0.00	0.42
U.S.A	55.00	11.00	0.02	20.0	800	0.00	0.08	0.00	0.00	3.00	0.15	0.14	38.00	8.10	0.36	8.74

Source: U.N. Energy Statistics Year Book–1992.

Energy Resources

Physiography has endowed South Asia with various types of energy resources but they are quite unevenly spread among its various countries. India and Pakistan dominate in the field of coal and petroleum. There is natural gas in Bangladesh, Pakistan and Nepal but Sri Lanka, Bhutan, and Maldives seem to have none. In all the countries except Maldives, hydroelectricity makes an important contribution to power generation. Although hydroelectricity is a renewable source of energy, it brings in its wake a lot of environmental and social problems, specially those of resettlement. In all these countries the use of nuclear energy is very low. Almost all the imported energy of the region is in the form of petroleum and its refined products.

BANGLADESH

For the foreseeable future, natural gas will be Bangladesh's most readily accessible source of energy. Natural gas reserves are considered sufficient for the next 200 years. Total resources of gas have been reported to be 13 trillion cubic feet (TCF). Production comes from thirteen fields, all in the east of the country. In 1991 Bangladesh produced 195.3 million metric tonnes of natural gas, 800 million metric tonnes of liquified petroleum gas, and 302 million metric tonnes of kerosene. As far as natural gas is concerned transmission has proved difficult and costly in the deltaic terrain interlaced as it is by rivers and subject to heavy annual flooding. Pipelines supply gas to the cities of Dhaka and Chittagong, two fertilizer plants and cement works. The problem of transferring the benefits of natural gas to areas west of the Kammu (Brahamaputra)—Padma (Ganga) Rivers has been overcome by the construction of the East-West Electrical Inter-connector to carry gas-generated power across the unbridged Jamuna.

Of the liquid consumed, condensate from gas wells contributes six percent, but despite intensive search, so far no crude petroleum has been found. Bangladesh imports over a million tonnes of crude petroleum annually for its Chittagong refinery which has a capacity of 1.5 million tonnes. In addition, almost half a million tonnes of refined petroleum products, mainly diesel oil, have to be imported. However, recently Bangladesh has traced some oil fields in Haripur. Bangladesh relies on coal imports. Nevertheless, coal has been located at three sites in the western zone. (Jamolganj, Boropukuria and Peerganj) and the total resources have been estimated at 1650 million tonnes. The deposits are a continuation of the Gondwana coal-bearing structures of West Bengal. At Jamalgonj, reserves estimated at one billion tonnes lie at a relatively uneconomic depth of one thousand meters, while the unknown quantities at Parbatipur are at the more reasonable depth of 190–350 metres. Bangladesh has no experience yet in the extraction of coal. Eventually, these resources will be developed, no doubt. Huge deposits of peat in Faridpur, Jhulna and Sylhet Districts are likely to take even longer to exploit owing to their situation in low lying water-saturated country.

Of the total installed electricity generating capacity of 9554 million kilowatts in 1991 in Bangladesh, the hydro plant at Kaptai, on the Karnaphuli river, provided some ten percent. However, the total electricity production has to increase substantially to meet future demands. Only 8 per cent of Bangladesh's technologically backward, mainly rural population has access to electricity at present. Unless new sources of gas are discovered, prospects for improvement in this situation are poor.

BHUTAN

Bhutan has a substantial hydro electric potential but only a small fraction of it has been harnessed so far. At present there are 21 run of the river hydro-electricity generation stations in Bhutan which have a capacity to generate a total of 355 MV. Existing hydro-power generating capacity includes the Chukha hydro scheme with an installed capacity of 336 MV, 7 small size hydro plants ranging from 300–1500 Kw and 12 micro hydels with capacity ranging from 10–80 Kw. Bhutan has a total of 5 biogas plants with a production capacity of 2 to 3 cubic metres per day in Sabhhang Dzongkha. Its production of wind energy and solar energy is minimal. Studies on the prospects of diversion to other forms of energy like solar, wind, biomass and biogas in Bhutan reveal that the natural supply of wind energy is of the order of 700,000 MKWH (mechanical) per annum and solar energy from permanently accessible areas of the order of 8.6 time Wh per annum. Renewable energy resources like solar and wind power, biomass and biogas are locally available in abundance and are environmentally suitable for the energy needs not only of Bhutan but the whole sub-region.

MALDIVES

Consisting of a scattered group of coral atolls, the Maldives, not surprisingly, have no commercial energy resources of their own. Their sunshine attracts the tourists whose foreign exchange helps to pay for imports of petroleum products, kerosene for lighting and cooking, diesel oil to fuel two electricity generating plants, and with motor spirit to power the boats that connect the islands. The only potential for indigenous energy development would seem to lie in solar energy.

NEPAL

Nepal has no commercial energy resources other than hydroelectricity which provided barely 24 per cent of energy consumed in 1990. The remainder came from imported coal and petroleum products from India. There is already a small trade in electricity, 80 million kilowatt hours being imported from India and 6 million kilowatt hours being exported.

While installed hydro-electric capacity rose to 260 megawatts in 1991, the enormous potential of some 83,000 megawatts will require many years and vast capital investment to realize. India and Bangladesh are nearby energy hungry markets whose needs could ultimately be met by intra-regional arrangements for electricity generated in Nepal. A 3600 megawatt project at Karnali is under analysis as a potential exporter to India. Meanwhile, a smaller scheme at Kulekhani (60 megawatts) is near completion. An agreement with India on the Mahakali River signed in January 1996 could provide the basis eventually for a large scale collaboration between India and Nepal in the electricity generation field.

INDIA

Due to its huge population and growing levels of consumption, India remains far removed from self sufficiency in the field of energy despite its abundant coal reserves, and petroleum and hydroelectric resources.

Coal and lignite of Gondwana origin provide 2/3 of India's coal output of which about 21 per cent is of coking quality. Most of the coal is found in a cluster of small fields at the headwaters of the rivers Son and Narmada in eastern Madhya Pradesh, the Damodar valley in Bihar and West Bengal, and the left bank of the Mahanadi river in Orissa. Some low quality coal is mined in Jammu and Kashmir and their northeastern states of Assam, Meghalaya, Arunachal Pradesh and Nagaland. 3300 million tonnes of coal reserves mostly near Neyveli, south of Madras, provide the basis for power generation and urea manufacture in South India. In 1992 India produced 2382 million metric tonnes of hard coal, higher than China's 105.4143 million metric tonnes in the same year. However, India produced only 10.8 million metric tonnes of lignite in 1992 as against China's 79.839 million metric tonnes. In 1993-94 India produced 262.7 million tonnes of coal (including lignite).

India has been fortunate in the region in discovering a few good petroleum reserves which make the country about half self-sufficient in crude oil at present. India produced 26.8 million metric tonnes of crude petroleum in 1993–94 and imported 22 million metric tonnes in the same year. Natural gas makes only a small contribution to India's energy consumption. India produced 2500 million metric tons of liquified petroleum gas and 5397 million metric tons of kerosene in 1992.

India produced 327913 million kilowatt of electricity in 1993–94. The installed hydel capacity represents about a third of the ultimately feasible hydroelectric potential. Of India's total hydroelectricity potential, 54 per cent is in the Himalayan mountain system. The Himalayas provide vast snowfed reservoirs and good sites for harnessing the potential head of water. However, there is a raging controversy in the Himalayan reaches of India about the ecological impact of hydel projects such as the Tehri Dam.

The energy demands are increasing in agriculture, industry and for domestic use. Thermal super power stations are regarded as the quickest way of increasing electricity output. Besides thermal power, India's nuclear power stations at Tarapur (Bombay), Kota (Rajasthan), Madras and Narora (Utter Pradesh) produce about 2 per cent of India's energy. Possessing its own uranium ores in Singbhum, Bihar which produced 290 million metric tonnes of uranium in 1992, India can be expected to expand nuclear generating capacity in the future. However, it has toned down its plans of generating nuclear energy by the year 2,000 from 10,000 megawatts to 7,700 megawatts but it may not achieve even this target going by the present rate of growth of nuclear energy.

PAKISTAN

Natural gas has become Pakistan's most important energy source, providing just under half of the energy consumption. Pakistan produced more natural gas than India in 1990 (Table 8 on production of commercial energy-1992). Production is mainly from the Sui and Mari fields in the lower Indus valley. There is a smaller productive field near Karachi. Pipelines link these fields to the cities of Karachi, Lahore, Islamabad and Peshawar. A power station at Gudu, near Sui, is gas fired and will have an ultimate capacity of 639 megawatts. Mari supplies feedstock to fertilizer plants. Altogether, 31 per cent of gas is used in fertilizer manufacture, 28 per cent for electrical generation, 26 per cent for industry and 15 per cent for household and commercial purposes.

Medium quality coking coal is mined at Shahrigh, near Quetta, but it is unsuitable for metallurgical use unless blended with better quality coal. Consequently, the new iron and steel plant at Pirri near Karachi has to import coking coal. Most local coal is of low quality. Some, as at Lakhra, is highly sulphurous and needs special treatment to be suitable for power generation. Other deposits are in the North West Frontier Province.

Petroleum provides one third of energy consumed in Pakistan but only 13 per cent of it comes from the country's own wells in the Pothohar Plateau.

Of the countries of South Asia, Pakistan is the most arid, but it has been able to harness three major rivers entering the country on its northern frontiers, viz., the Indus, the Jhelum and Kabul for power and irrigation. Talbela Dam on the Indus has an installed capacity of 1990 megawatts, Mangla Dam on the Jhelum 800 megawatts, and Warsak Dam on the Kabul 240 megawatts. Whether Talbela will achieve its promise of about 3350 megawatts is now doubtful. The reservoir is fast getting filled with silt and sand and an alternative site for utilizing the Indus water is being surveyed at Kalabagh which will have a capacity of about 2500 megawatts.

Pakistan produced 51972 million kilowatt of electricity in 1991. In comparison the same year India produced 327913 million kilowatt, Bangladesh 9554 million kilowatt and Sri Lanka 17543 million kilowatt. Hydro stations account for half of electricity production in Pakistan, thermal stations for two-fifths and only a small contribution comes from the nuclear power station near Karachi. Meanwhile power cuts remain the bane of every day life in Pakistan as in the rest of the subcontinent and are expected to persist into the twenty first century unless South Asian nations pool their energy resources and establish common grids like in Europe and North America where the spirit of regional cooperation so manifest in power generation has created wonders in terms of regional development.

SRI LANKA

Blessed with a hilly interior enjoying high rainfall for most of the year, Sri Lanka has concentrated development effort on harnessing the Mahaweli River and its tributaries. Hydro-electric power is the country's sole indigenous source of commercial energy. Randenigala, nearing completion, will add 122 megawatts and foreign aid has been arranged for the construction of projects at Samanalawwa (200 megawatts) and Rantambe.

Thermal energy generation is by diesel sets, but planning is under way for a large coal-fired station at Trincomalee.

South Asian Regional Cooperation in Energy Production Prospects[12]

The South Asian countries have some common energy problems. They are:

(i) Dependence upon imported oil resources.

(ii) Dwindling forest resources with threatening environmental implications.

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[12] See Arif A. Waquif (ed): South Asian Corporation Industry, Energy & Technology.

Mrs. Khalida Zia, former Prime Minister of Bangladesh with Shri S. Venkataraman, former President of India at Rashtrapati Bhavan

His Majesty Jigme Singhe Wangchuk King of Bhutan with Shri Narasimha Rao, former Prime Minister of India and Shri S.D. Sharma, President of India

President of Maldives & Mrs. Gayoom being received by the President of India and Shri Narasimha Rao, former Prime Minister of India

His Majesty King Birendra Bikram Shah of Nepal with the President of India Shri S.D. Sharma in New Delhi

(iii) Inadequate availability of physical exploration data and capability to process this data.
(iv) Limited design and engineering technology, particularly for exploration.

There is vast scope for co-operation among the South Asian countries to overcome some of these problems. The potential areas of co-operation are:

(i) Trade in Energy Resources

Some of the countries of South Asia are rich in conventional energy resources like coal, natural gas and hydro power. These can be traded among the South Asian countries which would benefit both the buyer and seller country. For example Nepal and Bhutan can sell hydro-electricity to both India and Bangladesh and in turn buy coal from India and natural gas from Bangladesh.

(ii) Information Exchange

Information related to research and operational experiences in the energy sector should be freely exchanged among South Asian countries so as to prevent duplication of efforts. This would result in more optimum utilisation of capital and data resources.

(iii) Joint Research & Development

Collective self-sufficiency in the long run can be achieved through joint research & development and technical co-operation in the field of energy.

(iv) Sharing of Technology & Expertise

This should be encouraged among the countries of the region. Nepal has successfully designed and manned mini and micro hydel power stations. This technology could be transferred to other SAARC countries. India can share its knowledge in the field of new and renewable sources of energy like solar batteries, solar cookers and solar signal systems, biogas plants etc. with other SAARC countries.

(v) Training of Personnel

One of the potential areas of co-operation is in the field of training. Countries like Pakistan, Bangladesh and India can train the personnel of other countries in designing, manufacturing, installing and maintaining energy systems.

Possibilities of co-operation among SAARC countries exist in undertaking concerted efforts in developing energy conservation methods, research and development and adaptation of relevant technologies. The countries can also co-operate in the development of appropriate regional technologies.

Scope for Regional Collaboration through Joint Explotation of Natural Resources in South Asia

As the above analysis shows, the region is endowed with a range of natural resources some of them having a tremendous potential for growth. Their exploitation and utilisation in a joint manner will not only be an immense saving for these countries but add considerably to their productivity and efficiency.

Certain key resources such as the resources of the Himalayas and the resources of the sea can be effectively exploited and utilized within the regional framework. Similarly water resources of the South Asian region are so interlinked that cooperation on a regional basis can best ensure their effective utilization. It is estimated that Nepal can generate 83,000 MW of hydro-electricity which is the combined capacity of Canada, Mexico and USA. The sharing of these resources will confer great benefits on India, Nepal and Bangladesh as it will help in reducing their chronic power shortage. That would also help control and check ecological disasters such as soil erosion and floods as well as enable the extension of irrigation facilities. Nepal has to depend on India for investments to develop these resources. Agreements have been concluded between India and Nepal in regard to tapping and using the resources of Kosi, Gandak and Mahakali rivers. Much more, however, needs to be done. Karnali offers an immediate prospect for joint collaboration among the countries of the subregion.

Water sharing could help resolve the disputes such as it has between India and Bangladesh over the Ganga. As Nepal is the source of 73 per cent of Ganga's water, at one time Bangladesh had proposed a joint agreement between itself, India and Nepal to regulate the river system in a manner which provides equitable allocations. The matter needs to be given very serious consideration to meet the common needs of countries in the North and East of the region for power and irrigation. Collaborative schemes regulated for use of waters of the Brahamaputra for similar purposes would open up fresh and dynamic vistas of development for both India and Bangladesh. Water sharing on a sub regional basis could become an important area of collaboration, the success of which would strengthen SAARC. There is already a very successful instance of hydro power cooperation in the region, i.e., between India and Bhutan, in regard to the Chukkha hydel plant financed and built by India and its product used by both the countries. Another power agreement with Bhutan has been finalised under which electricity generated with India's collaboration in Bhutan will be utilized for development in both countries. That is the agreement for the Rs. 1400 billion, 1020 megawatt joint Tala Power Project signed during the visit of King Jigme Singhe

Wangchuk to India in the first week of March 1996 under which the Government of India would provide 60 per cent of the cost as grant and 40 per cent as loan. There is also scope for projects between Sri Lanka and India under which Sri Lanka could provide cheap power from its considerable water resources to South India.

The exploitation of the resources of the sea bed in the Indian ocean under the regime of the UN Conference on the Law of the Sea and the Sea Bed is a promising field for joint cooperation. This could affect India, Pakistan, Bangladesh, Sri Lanka and Maldives. India's plans for development of the oil wells on the ocean bed would be a step towards self sufficiency. Other states of the region should be associated to the maximum extent possible in a joint endeavour to bring prosperity to its people.

States in our region can cooperate to develop alternative sources of energy, like solar energy, biogas, wind energy and energy from waste matter through the production of methane.

Like energy, there are other fields also where close profitable regional collaboration can be set up. India and Pakistan can become big suppliers of cement, if India's production capacity is harnessed to utilize reserves of limestone and gypsum in Pakistan. Pakistan is a net importer of cement from outside the region.

India and Pakistan in the Western segment of the subcontinent and India and Bangladesh in the eastern can jointly produce fertilizers utilizing supplies of natural gas in Pakistan and Bangladesh. Pakistan's deposits of copper also call for a joint venture for a copper refining plant.

These are some of the numerous opportunities for utilising the natural resources of SAARC countries in a cooperative regional framework. These countries have to find suitable ways and develop appropriate technologies for an optimal utilization of resources for their mutual benefit.

India has the world's largest reserves of high grade iron ore. India's iron ore is already being used for the steel mill in Karachi in Pakistan. As the two countries move towards freer trade as members of SAARC, a considerable expansion of the steel mill in Karachi through regional efforts would become a possibility.

To combat the inadequacy of mineral fuels in the region joint ventures for making synthetic gasoline can be given a serious thought.

The use of animal dung to generate methane gas for domestic use as well as to produce nitrogenous liquid manure has been recognised in South Asia, but the problem remains of designing and developing bio-gas generating plants, appropriate in scale and cost to the small farmer household. India has gone ahead in stimulating interest in this area, followed by Pakistan and Bangladesh. As a matter of priority, some collaborative ventures can be undertaken in this field to meet the rural energy needs of the region. A joint collaboration can be set up to design a product affordable and maintainable by countries in South Asia with appropriate technological back-up. A poor natural base has not always been a constraint for development. Countries like Japan and Korea have been able to achieve and sustain high levels of development with limited natural endowment. The South Asian region could learn from their example using the complementarities of its constituent nations to good effect in a cooperative spirit.

TABLE 7

Production Of Commercial Energy
(Thousand metric tonnes of coal equivalent x kilograms)

	Primary Energy Production in 1992				
	Total	Solids	Liquids	Gas	Electricity
Bangladesh	6943	–	182	6643	98
Bhutan	201	2	–	–	199
India	270071	202778	40652	15551	11091
Maldives	–	–	–	–	–
Nepal	107	–	–	–	–
Pakistan	26267	2149	5487	15945	2686
Sri Lanka	356	–	–	–	356
China	1036818	796609	202962	209975	16272

Source : UN Energy Statistics Yearbook 1992.

TABLE 8

Production Of Commercial Energy—1992

	India	Pakistan	Bangladesh	Sri Lanka	Nepal	Bhutan	Maldives	China
Hard coal	2382000						—	1054143
Lignite	10800	737	—	—	—	—	—	79839
Liquified petroleum gas	2500	151	8	14	—	—	—	3501
Kerosene	5397	507	302	—	—	—	—	3945
Natural gas	455760	467310	195306	—	—	—	—	614720
Electricity (million kilo watt and 1 hr per capita)	327913	51972	9554	17543	931	1627	30	753940
Uranium (000 metric tonnes)	290	30	—	—	—	—	—	800

Source: UN Energy Statistics yearbook 1992

TIMES OF INDIA
Wednesday April 16, 1997

Power alliance with Bangladesh, Pakistan in pipeline

The Times of India News Service.

CALCUTTA—India, Pakistan and Bangladesh are all set to put up a confederation of "power states". According to Mr. R P Singh, chairman and managing director of Power Grid Corporation of India, plans are afoot to tap the "vast hydro potential in the neighbouring nations and import power to India".

Having exchanged power with Bhutan from its Chukha hydroelectric project, Mr. Singh disclosed that talks were on with Pakistan, which currently has a surplus of 1,000 MW of power and is expected to touch approximately 3,000 MW by July 1998.

The talks, which are at a preliminary level and are being conducted by "via media" like the World Bank, are expected to gain ground by mid-next year, he said.

As far as the talks with Bangladesh were concerned, Mr. Singh said that power would only be exchanged unlike with Pakistan, from which power would be purchased.

"We are moving cautiously with Bangladesh because of political compulsions, but with the Asian Development Bank having decided to mediate effectively, we expect to open three lines, two of which would connect Tripura and Meghalaya to Bangladesh," he said.

Justifying the power ties with neighbouring countries, Mr. Singh argued that if the European countries could exchange and sell easily, why could not the SAARC countries. The SAARC countries ought to join hands and form a confederation. "It would only be to their benefit," he said.

He said with the capital employed, Power Grid had grown from Rs 8170 crore on March 1996 to Rs 9300 crore at the end of the financial year 1996–97. The company expected a profit of Rs 300 crore on March 1996 on a turnover exceeding Rs 1000 crore.

Mr. Singh said international financial institutions (FIs) like the World Bank, ADB, OECF of Japan, and others had expressed their confidence and extended funding to the tune of Rs 6600 crore. An additional loan of Rs 2000 crore was under negotiation.

"Harnessing the benefits of the present liberalisation policy, Power Grid has a programme to tap the international market shortly for raising US$ 200 million in tranches of US$ 50 million or more," he said.

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THE CULTURAL MOSAIC OF SOUTH ASIA

> "We have venerated the Vedas, the Dhammapada, the Quran, the Bible, and the Granth Sahib; on our soil have been born saints and sages, seers and Epic poets, men and women of profound wisdom who have given to the world some of its great religions and many of its deepest philosophies. South Asia is the home of Mohenjodaro and Anuradhapura and the Taj Mahal; Pattan and Kyi-Chu; Mainamati and the Hukaru Mosque."
>
> **RAJIV GANDHI**
> at the 1st SAARC SUMMIT at Dhaka,
> December 7, 1985

History and geography blend magnificantly in South Asia. The countries of South Asia share a land mass which forms a remarkably self-contained geographical region despite its great diversity. Physiographically South Asia presents a vast mosaic of snow-capped mountains and arid deserts, fertile plains and river valleys, dense jungles and river sodden delta. These dissimilarities lying within a physical unity from the Himalayas in the North to the Indian Ocean in the South typify the character of South Asia—diversity within a greater unity. This unity in the midst of great diversity is mirrored equally on the South Asian cultural canvass. While viewing its cultural mosaic, one is struck by the commonalties of ethnic backgrounds, culture and tradition which give the South Asian synthesis a living splendour and a glow which is quite its own.

South Asia falls into three major geological regions with quite different origins. The north is enclosed by the great arc of the Himalayas. The mountains that extend west from the Himalayas proper into the Hindu Kush enclose the low-lands of Pakistan and Afghanistan. They also enclose the two Himalayan states of Nepal and Bhutan apart from the whole of northern India. To the south of these ranges lie the alluvial plains of the Indus, the Ganga, and the Brahmaputra. Encompassing parts of Pakistan, India and

Bangladesh, these plains have become home to more than half of South Asia's population. To the South of these plains lies the 3 billion year old Peninsula geologically incorporating India and Sri Lanka, the two separated by 30 km wide shallows known as the Adam's bridge. In contrast to Sri Lanka, the island chains of the Laccadives and Minicoy in India and the Maldives are coral atolls.

In the Himalayan regions of South Asia, we have a climate which is as rigorous as that of the greater part of Europe. There are dry sandy deserts in parts of India and Pakistan which vie with the deserts of Arabia. There are areas which display extremes of cold and heat in certain seasons of the year and do not have any appreciable rainfall. These areas breed a type of people who would naturally be quite different from those who live in the moist terrains, where plains and riverine tracts stretch for hundreds and hundreds of miles. These latter are exceedingly fertile and they largely contribute to the wealth of the region that is primarily based on agriculture. In the high plateau and their wooded hills the ethnic type varies again marked by a different style of living. Similarly in the coastal lands people are attracted to maritime adventuring.

Thus the variations in climate and land structure in South Asia help to bring about a most remarkable variation in the structure of life. History adds yet another dimension to the variety born out of geograhy. The great fact remains that peoples of diverse origins came to this vast subcontinent at different times and they settled down beside one another. Entering into a sort of great understanding or comprehension (Sanmati) amongst themselves, they jointly built a composite culture we are so accustomed to associate with South Asia. Out of a welter of race movements and of ideological underpinnings, intellectual ferments and disequillibria, we can vividly see the gradual emergence of a way of thought and a way of life that became associated with the entire South Asian region, notwithstanding the distinct quality of its geographical or political units and diverse ethnicities.

From the earliest times, South Asia has been the scene of one of the greatest civilizations known to history—the Indus Valley Civilization. Settled agriculture in South Asia goes back to at least 10,000 years before the present day, when the first village communities grew on the arid western fringes of the Indus Plains in to-day's Pakistan. Over the following generations successive waves of settlers moved across the Indus into other parts of our subcontinent—sometimes bringing goods for trade, sometimes armies to conquer territory, and sometimes nothing more than domesticated animals and families in search of land to cultivate and to enjoy a peaceful mode of existence. They left an indelible mark on the landscape and culture of the peoples of South Asia.

The remains of the Indus Valley Civilization found in Mohenjo Daro and Harappa and many other sites in Pakistan and India, reveal that the culture that developed was distinctively South Asian. The *language*, which is still untranslated, might have been a form of Dravidian, spoken now in South India, Sri Lanka and Maldives. Mohenjo Daro in Pakistan represented the culmination of a long period of development within the Indus region. The early Indus period typified by some artifacts from Baluchistan is in every way part of the growing continuum generically styled as "Indian" civilization which is truly subcontinental.

The Indus Valley Civilization occupies a position of enormous significance and scholarly fascination with respect to the subsequent development of ideas, philosophies and faiths as part of the cultural growth of South Asia. The remains of the Indus Valley civilization show great cultural uniformity, notably in styles of pottery and the common worship of bull as deity. An interesting feature of the civilization is the absence of any evidence of warfare until a warring tribe from outside brought a devastating end to it. The existence of a specifically non-violent religion was the unifying force which led the civilization to evolve and prosper so successfully. In its peaceful environs what flourished for thousands of years was yoga, symbolised by the figure of Pasupati Siva seated in Yogic posture and surrounded by animals. In that early dawn of culture fine arts also flourished, epitomised by the dancing figure in bronze. Many powerful strands of the civilization of South Asia owe their origins to the great culture of the Indus Valley and they have been responsible for a continuity lasting several mellennia in the midst of change. In the words of Nehru, "The Indus valley civilization represents a very perfect adjustment of human life to a specific environment that can only have resulted from years of patient efforts. And it has endured; it is specifically Indian and forms the basis of modern Indian culture."[1]

From time to time the region witnessed the emergence of heterodox spiritual trends. In the early period, particularly noteworthy is the Sramanic tradition. In contrast to the Brahmanical elite, which legitimised the power of the ruling classes during the Vedic Period, the Sramanas were ascetics who moved in the interstices of rural settlements and offered to the rich and poor alike a world view which differed radically from that of the Brahmanas. The Sramanic tradition produced several Upanishadic teachers and a number of other spiritual leaders : the two best known among them being the Jain preceptor, Mahavira and Gautam, the Buddha, the founder of Buddhism.

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[1] Jawahar Lal Nehru in Vision of India published by Indian Council for Cultural Relations, New Delhi, 1983, p. 46.

By the middle of the first millennium B.C., the agricultural revolution had radically transformed the valley of the Ganga and other parts of South Asia. The social life of the time was marked by unprecedented material wealth, rigid caste divisions, affluent and indulgent life styles, a general deterioration in moral standards and a turning away from the age-old spiritual values. At such a time of dramatic change in the material and spiritual moorings of the region, the Buddha heralded the world's first revolution against prevalent social inequalities and injustice. The Buddha's message of human brotherhood emphasized the value of tolerance and compassion and went a long way in creating a region-wide caring and sharing society, distinguished by its deep humanitarian concerns. The Buddha's world view and his teachings, which exercised a profound influence on the communities of South Asia of the time, continue to provide moral sustenance to large sections of the population within and beyond South Asia to this day. In the world torn asunder by self interest, passion and hatred, Buddhism offers a unique vista of world peace in the way it propounds the elimination of suffering by following a purely ethical eightfold path.

India was the home of Buddhism but today it is practised only on the margins of the sub-continent, largely in Ladakh, Sikkim and Arunachal in India, in Nepal and Bhutan and parts of Bangladesh in the north of the sub-continent and in Sri Lanka in the south where it is the religion of the majority community. However, South Asia has sites of great significance for Buddhists around the world-Lumibini, the Buddha's birth place in Nepal foothills, near the border with India; Bodh Gaya where he attained his supreme enlightenment; the deer park at Sarnath where he preached his first sermon and Kushinagara where he passed into Nirvana. In addition, there are remarkable monuments, sculptures, and works of art from Gandhara in the north-western part of the subcontinent to Sanchi and Ajanta in Central India, where it is still possible to see vivid evidence of the flowering of Buddhist culture in South Asia. Two Buddhist places of learning are still evident in the ruins of Nalanda near Patna in India and Taxila in Pakistan. Taxila was particularly noted for its scholarly studies. Dharmarajika in Taxila is one of the eight major stupas built by Ashoka across his kingdom, thus lending a sense of both political and cultural unity to the subcontinent. Almost the entire South Asian region from Afghanistan to the major part of the South Indian peninsula came under the sway of Ashoka which he ruled from Pataliputra, today's Patna, in the eastern part of the Gangetic plains. His famous Rock Edicts have been found throughout the subcontinent from Shahabazgarhi in the north to Brahmagiri in the South. Though it is not certain that the religion Ashoka preached was Buddhism, there is no doubt that he was deeply influenced by it. Buddhism thus lent an unique cultural and religious unity to the entire South Asian region in his time. Anuradhapuram in Sri Lanka is an outstanding example of Buddhism's cultural outreach very early in its history. Even in the Maldives, the first settlers were probably Buddhists from Sri Lanka who settled there around 500 A.D., though by the 12th century, Islam became the dominant religion there.

Buddhism's wide sweep notwithstanding, the most striking religious feature of the region in the ancient past was the absence of a single or dominant spiritual path, organized around a unitary text or a single religious figure and exclusively claiming to embody the spiritual truth in its ultimate expression. A tolerant and liberal spiritual outlook prevailed across the length and breadth of South Asia based on the Vedantic principle of the unity of all things in the universe which had profound consequences for the region's subsequent development and its commitment to secular values.

From the dawn of history, the region witnessed successive tides of migrants from Central Asia and the Middle-East. These migrants entered from the North-Western passes that have always been South Asia's Achilles heel. The civilization of this subcontinent thus came to be characterized by a plurality of faiths, cultures and peoples who intermingled freely and borrowed liberally from each other and yet remained distinctive. The spirit of tolerance was best demonstrated in the third century B.C. by Ashoka, the Great Mauryan King and in the 16th century by Akbar—the Great Mughal Emperor. After announcing his renunciation of war in favour of the conquest of human hearts by the laws of duty and piety, Ashoka says in an edict : "Even upon the forest folk in his dominions His Sacred Majesty looks kindly and he seeks to make them think aright. For, His Sacred Majesty desires that all living folks should have security, self-control, peace of mind and joyousness." Another edict proclaims: "All sects deserve reverence for one reason or another. By thus acting, a man exalts his own sect and at the same time does service to the sects of other people." Of Ashoka's reign of some forty years, H.G. Wells says in his Outline of History : "Amidst the tens of thousands of names of monarchs that crowd the columns of history ...the name of Ashoka shines and shines almost alone like a star. From the Volga to Japan his name is still revered." Apart from Tibet, Nepal, Bhutan, Srilanka, Thailand and Cambodia in close proximity to India, his memory is fervently preserved in far off areas of China, Mongolia, Korea, Japan and Russia.

Akbar, the greatest of the Mughal kings, was a conscious synthesiser of diverse faiths. Jawahar Lal Nehru says of him, "As a warrior he conquered large parts of India, but his eyes were set on another and more enduring conquest, the conquests of the hearts and minds of the people. In him the old dream of an united India took shape, united not only politically in one State, but organically fused into one people."[2] Akbar's search for religious and philosophical unity led to the establishment of Din-i-Ilahi (Divine Faith), primarily a synthesis of Hinduism and Islam.

Ethnicity

The continuous subjection of the region to successive religious and cultural waves from outside produced, in course of time, a synthesis in the fields of religion, philosophy, fine arts and linguistics which is unique in the annals of human history. The region of South Asia has harboured since pre-historic times, various races and cultures both immigrant and autochthonous, from the Old Stone Age cultures to Austric, Dravidian, Aryan, Mongoloid and the Turko-Iranian. In India the Aryan element is predominant in the north and the Dravidian in the South. In the Himalayan states of India and in Nepal and Bhutan, there is plenty of evidence of people belonging to the Mongoloid race. Pakistan is predominantly Aryan while Bangladesh is Dravidian Mongoloid. In Sri Lanka, the Sinhalese who are of Aryan descent constitute the majority of the population while the large minority of the Tamils are of Dravidian descent. It must be understood particularly in the context of South Asia, that there is no such thing as a pure racial type, and intermixture has clearly been characteristic of South Asia through most of its history. The overwhelming majority of South Asians today are of the Mediterranean stock. Early Mediterranean groups formed the chief component of the Dravidian stock of people in the four South Indian states and in North-eastern Sri Lanka. Later Mediterranean types also seem to have come from the North West and down the Indus Valley, but more important were the Indo-Aryans, who migrated from the steppes of Central Asia from around 2000 B.C. into the northern parts of the subcontinent.[3]

Language

Allied to ethnic diversity is the variety of languages spoken in South Asia. In all the capital cities of South Asia, an Indo Aryan language—the easternmost group of the Indo-European family, is pre-dominant. Urdu and Panjabi in Islamabad, Hindustani in Delhi,

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[2] Jawahar Lal Nehru in 'Discovery of India,' Signet Press, Calcutta, 1974, p. 41.

[3] The Cultural Heritage of India, Vol. 1, published by The Ramakrishna Mission Institute of Calcutta, Calcutta, 1975, p. 38.

Bengali in Dhaka, Nepali in Kathmandu and Sinhalese in Colombo are all Indo-Aryan in their origins. Even Divehi (a Vedic term meaning divine) spoken in the Maldives is an Indo-Aryan language. All the modern vernaculars of Northern, Western and Eastern India, as well as those of Pakistan, Bangladesh and Nepal owe their origins to the blending of the Indo-Aryan core with other linguistic streams. Pakistan's national language, Urdu, for example, is a fine product of the syncretistic process which inhabits three classical traditions, viz. Sanskrit, Arabic and Persian and which grew around Lucknow and prospered around Hyderabad. It is a most striking example of the confluence of cultures in the subcontinent, a totally new language, evolved from the combination of Hindi syntex with Persian and Arabic vocabulary. At the eastern end of the Gangetic plain, another Indo-Aryan language, Bangla or Bengali is spoken by over 150 million people in Bangladesh and India's state of West Bengal. There are also two "outliers" of Indo-Aryan languages in the form of Sinhala in Sri Lanka and Divehi in the Maldives. Both owe their origin to the southward movement of Buddhist missionaries from Northern India. Pali, which they took with them, exercised a major influence on the development of the Sinhala culture and tradition in Sri Lanka. Bhojpuri, so commonly used in Mauritius also belongs to the same stock.

Art and Architecture

Art and architecture have developed in South Asia with a remarkable streak of continuity of patterns and traditions running through successive regional and religious influences for over 4000 years beginning with the .Indus valley civilization at its height. Hinduism and its Indian offshoots like Buddhism and Jainism inherited, developed and transformed features of a culture whose origins have lain in the period of the Indus Valley Civilization. The Buddhist and Hindu art and architecture, in turn, exercised a profound influence not only in South Asia but in other parts of Asia from Bukhara in Uzbekistan to Karakhorram in Mongolia and from Angkorvat in Cambodia to Borobudur in Indonesia. These architectural gems all over have perpetuated the traditional Indian concept that the temple is the replica of the cosm. The Buddhist and Hindu architecture in India began with wooden buildings. The rock carved and cave temples of ancient India show clear evidence of copying wooden styles. The 3rd and 2nd century B.C. Buddhist caves in Ajanta and Ellora were followed in the 7th and 8th centuries A.D. by free standing but rock cut temples such as those at Mamallapuram. The 'Gompas' and "Chortens" like those in Ladakh, Zanskar, Lahul and Spiti in India and their counterparts abroad derive their inspiration from the art and architecture of

Sanchi, Sarnath, Nalanda and Bodhgaya. Artisans and craftsmen in all these places employed styles which showed extensive contacts with the institutions of the past. The unique wood-carvings in the royal palaces in Kathmandu, Bhaktapur and Pattan reveal a mixture of Buddhist, Hindu and early animist influences. Sri Lankan architecture has many features in common with the Buddhist and Hindu Indian tradition. Stupas were the most striking feature of Buddhist architecture in India, exemplified by the huge Sanchi Stupa. Some of the stupas in Sri Lanka like the one in Anuradhapura are huge temple structures of Indian inspiration.

Islam came to India first with Arab merchants and then with Muslim conquerors. However, Indian Islam particularly in the states of Gujrat and Malwa, Jaunpur and Bengal soon began to disclose characteristics of a synthesis of the two cultures. The greatest flowering of Islamic architecture the world ever saw took place under the Mughals in India. The Mughal art was not simply a transplant from another country or region. In Jaunpur the mosques and palaces of muslim rulers displayed a happy blend of the Hindu and Muslim architectural styles. Within the four walls of the Red Forts of Delhi and Agra, the temple and the mosque stand side by side. The Taj Mahal contains the finest amalgam of the Hindu and Muslim forms of architecture. It is a monument not only to India's but South Asia's spirit of synthesis which could weave two completely distinct and proud strands of culture into a homogeneous whole so magnificantly. The mausoleum of Akbar at Sikandara is a unique monument in many ways. The whole structure is inspired by the Buddhist vihara, which speaks volumes of the architectural synthesis achieved on the Indian soil and displayed in monumental works spread around the whole region.

Music

The essence of South Asian civilization and culture, thus, has been its spirit of assimilation and synthesis. No where is this more clearly manifest than in music. Amir Khusro is an illustrious symbol of the South Asian cultural synthesis. Aiman, Tarana, Qol, Suhla and several other tunes sung by millions in the subcontinent are a living testament to the genius of this great musician and his power to homogenise diverse strands into a single novel pattern. In the field of instrumental music, it was he who invented the Sitar. Sultan Hussain Sharqu, King of Jaunpur, was a great lover of music and it was he who introduced the khayal style in Indian music. 'The co-operation of Hindus and Muslims, for almost a thousand years has brought about a consummation that has perhaps no equal in the world,' said

Maulana Abdul Kalam Azad.[4] The growth of Indian classical music equally venerated in all our countries has been a major source as well as symbol of the cultural unity of the entire region. For hundreds of years most of the words and themes of the Indian classical music have been derived from Hindu mythology but some of the greatest masters of this music have been Muslim. It is interesting to mention here the Kitab-i-Nauras, a collection of songs in praise of Hindu deities and muslim saints, which was written by a 17th century ruler, Ibrahim Adil Shah II. Through this common idiom of music and dance, the people of this subcontinent have expressed their joys and sorrows, their struggles and aspirations, and a myriad other emotions for centuries together. Through their hours of labour and leisure, they have danced, sung and played to this music. Areas around temples and mosques, monasteries and churches have all reveberated with music which has achieved a subcontinenal flavour of its own after the assimilation of diverse streams from different climes.

Religion and Philosophy : The Spirit of Universalism

Various systems of thought, belief, faith and worship have developed in South Asia from self-scrutiny and reflections over the origins of man and the universe around. Although at first sight this amorphous mass appears to be more an encyclopedia of varying philosophies and sects than a continuous and uninterrupted development of one system, a closer analysis reveals a pervading unity which binds together the bizarre multiplicity of these beliefs and practices.

Through the vistas of the past, through many centuries, the voice of the sages of the Himalayas and the recluses of the forest has run into a running stream—the voice that spoke to us through the Vedic Rishis and Upanishadic Saints, through the Buddha and Mahavira, through the prophets and holy men and women of numerous faiths along the corridors of time right upto Mahatma Gandhi. They all had one essential message of "Vasudhaiva Kutumbakam"—of universal peace and brotherhood. As Swami Vivekananda said "There are differences in non-essentials in religion, but in essentials they are all one. The Hindus, Buddhists, Sikhs, Christians, Muslims are one on the question of God and soul."[5] Unity in variety is the plan of the universe, religion is meant to unite much more than divide. Ultimately every religion believes in the well being of humanity. The Vedas proclaimed that long ago: "Dharma is one which ensures wellbeing in this world as well as beyond."[6] Both the Mahabharta and the Buddha propounded the golden rule—'Do not do to others what ye do not wish done to yourself, and wish for others too what ye desire and long for yourself. This is the whole of Dharma, heed it well." Jesus Christ enjoins upon his followers the same shibboleth in a more positive form: "Whatsoever ye would that men should do unto you, do ye even so to them", and this he characterizes as 'the whole of the law of the prophets.'[7] Some six hundred years later Prophet Mohammad instructed his followers thus : Thou shouldst like for others what thou likes for thyself." (Hadis). The Bhagvad Gita expresses the same sentiment thus.

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[4] In the book "Vision of India", published by ICCR, New Delhi, 1983, p. 65.

[5] The Cultural Heritage of India, Vol. II, published by the Ramakrishna Institute of Culture, Calcutta, 1975, p. 36.

By self analogy who feels for all
In gladness or in grief alike
The yogi par excellence is he
Arjuna, that is the abiding truth. (VI:32)

Sadi, the renowned poet of Iran and extremely popular in the subcontinent gives utterance to the same sense of universalism in the following words :

"The progeny of Adam are all limbs of but one body, since in origin and essence they are all identical."[8]

The threefold Hindu path : Jnana, Bhakti and Karma is matched by similar triads in other religions; e.g., the ways of work, of knowledge and of devotion in Christianity; Shariat, tariqat and haquiqat in Islam; sila, prajna and samadhi in Buddhism and samyak charitra, samyak darsana and samyak-jnana in Jainism. The inherent desire of man to be at peace with himself and with his surroundings is central to all religions.

Gandhiji believed the soul of religion to be one but encased in a multitude of forms. Placing ethics above everything else, Gandhiji echoed his understanding of religion in the following words : "Co-operation with forces of good and non-co-operation with forces of evil are the two things we need for a good and pure life, whether it is called Hindu, Muslim or Christian".[9]

The universalism of the human spirit is expressed by a Sufi poet in the Arabic verse

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[6] Yotobhyudaya-nishreyasa-siddhih sa Dharmah." Brahadarnnyak Upanishad; samayak-darsana in Jainism.

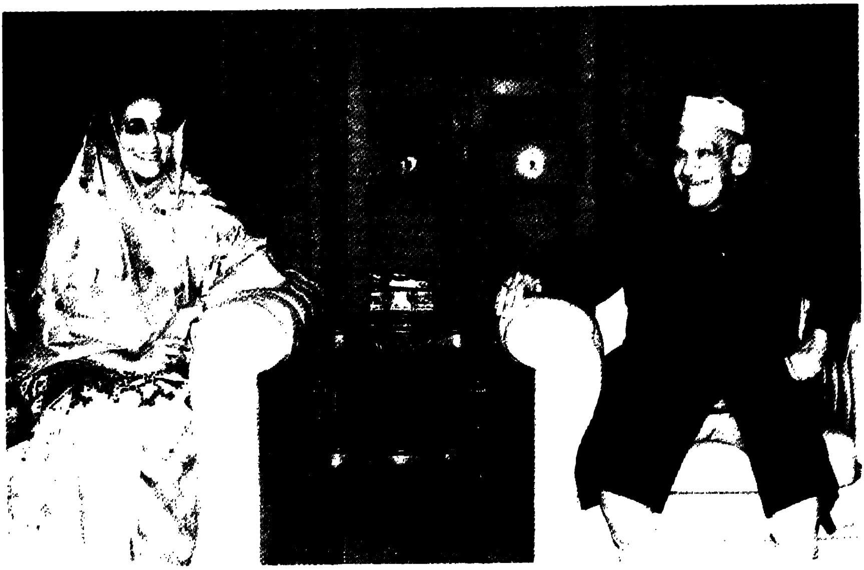
[7] G.N.S. Raghavan (Ed.) Readings from India, published by ICCR, New Delhi, 1980, p. 55.

[8] G.N.S. Raghavan (Ed.) Readings from India, published by ICCR, New Delhi, 1980, p. 56.

[9] Ibid, p. 75.

Mr. Farooq Ahmed Khan Leghari, President of Pakistan with Shri S.D. Sharma, President of India and Smt. Sharma

Smt. Chandrika Kumaratunga, President of Sri Lanka with the President of India



Shri S.D. Sharma, President of India with Sheikh Hasina Begum, Prime Minister of Bangladesh

Former Prime Minister of Nepal Mr Man Mohan Adhikari with Shri Narasimha Rao, former Prime Minister of India

"Watahsal annaka jarmum saghir
wa fika antair alemun akbaru."[10]
"Thou thinkest that thou art a small body :
Thou knowest not that a Universe
Greater than the physical world
Is contained in thee."

Sufi hospices dotted the rural landscape of South Asia and drew substantial cultivating and artisanal communities into their embrace. One of the most interesting feature of medieval South Asia is the dialogue between Sufism and Bhakti. Both the Sufi Pir and the Bhakti Sant were immersed in the contemplation of a loving and compassionate God. This experience created a bond between them which has been sensitively captured in medieval miniatures portraying conversations between saintly men drawn from Hinduism and Islam. What probably emerged from such dialogues was a heightened "Self Realisation" through the contemplation of the "Other".

Ibn-El-Arabi, the greatest Arabic mystic of Islam, states, "God is the object of worship not in the sense that he is exclusively the God of the Muslims, the Christians or the adherents of any other religion, but in the sense that He is the Essence of everything that is worshipped."

Ibn Arabi breathes a truly universal spirit. He treated love as a precious pearl worthy of imparting a deep religious experience.

"My heart has become a receptacle
of every form,
It is a pasture of gazelles and a convent
for Christian monks,
And the Tables of the Torah and the Book of the Quran.
I follow the religion of love whichever way do the camels take;
For this is my religion and my faith".[11]

In the same voice Swami Vivekananda proclaimed:

"I accept all religions that were in the past and worship with them all: I worship God with everyone of them .... The Bible, the Vedas, Koran and all other sacred books are but so many pages, and an infinite number of pages remain yet to be unfolded."[12] The same thing has been taught in the Bhagavad Gita 'As men approach me, so do I accept them; men on all sides follow my path, O Partha' (IV:11; VII.21).

The inspiration of Swami Vivekananda and his mentor

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[10] Ibid, p. 76.
[11] Ibid, p. 82.
[12] Ibid, p. 83.

Ramakrishna Paramahansa was the Upanishadic dictum of "Ekam Sat Viprah bahudha vadanti-Thou art one; the sages call thee by different names." The South Asian civilization inspired by the spiritual insight and vision of the sages and saints of various faiths is marked by a certain moral integrity, a fundamental loyalty and a fine balance of individual desires and social demands and it is these that are responsible for its vitality and continuity.

Kabir the famous sufi poet, said:

"Hari is in the East; Allah is in the West. Look within your heart, for there you will find both Karim and Ram. All the men of the world are His living forms! Kabir is the child of Allah and of Ram. He is my Guru, He is my Pir."

Four centuries later Gandhiji invoked the same Sufi Bhakti strain in the Indian ethos when he popularized the verse :

Iswar and Allah are both your names.
Grant us all, O Lord, wisdom solemn."

By 1872, the British rule covered the whole of South Asia except Nepal, which remained an independent kingdom nestled in the holy Himalaya and drew .its cultural inspiration as much from Pasupatinath of the Hindu Trinity as from Swayambhunath of the Buddhist tradition. Sri Lanka was ruled as a separate crown colony independent of British India; as such, Sri Lanka continued its long tradition of political independence from the South Asian mainland but has remained conscious that its culture derived itself largely from Buddhist and Hindu traditions of India. The Maldives, with a culture and language derived both from India and Sri Lanka was originally a Buddhist state and then a sultanate after its conversion to Islam in the 12th century. In 1883 it became a protectorate of Britain but enjoyed a significant degree of autonomy.

The British attempted to mould the region into an unified entity held together by a tough administration. This shared colonial legacy of the Raj for over 200 years has found expression in common politico-legal institutions and a strikingly similar governmental and administrative framework in the countries of the South Asian Region. However, even during the British times, at the level of popular culture, the South Asian nations continued to reveal a remarkable degree of shared values in the fields of literature, music and the performing arts. The historic similarity of tastes, traditions and values among the people of the region did not suffer much dent, notwithstanding colonial attempts to penetrate them.

Beside the shared commonalities in history, religion, philosophy, language, script, art and culture, the centuries old economic bond among the people of the region, too, stayed on under the British rule. As a matter of fact, under the common umbrella of British hegemony that bond got strengthened further. Nevertheless the economies of the region remained predominantly rural and agricultural. At the end of the colonial era they are commonly confronted with the malaise of underdevelopment—a rapidly growing population, low standards of living and lack of health, hygiene and literacy and above all capital. Inevitably, the region continues to be heavily dependent on foreign investment and external aid. These bring in their wake foreign ideas, customs and tradition, helping our ancient cultures to evolve a new synthesis—not based on the fear of the new but on the confident strength of the old, preserving what they must and shedding what they should.

It would be seen from the above that in every sphere the South Asian region has had a certain amorphous individuality and unity in its long history. Even today, the people of seven nations comprising South Asia have memories, deep down in their consciousness, dim or vivid, of a certain affinity and association with each other within a larger sphere of existence. South Asia might not have had the religious unity of Christiandom that beckoned the Europeans to a co-operative union. But then it also did not experience bitter and protracted religious and ideological conflicts like the Crusades. Arnold Toyhbee once said, "Catholic minded Indian spirit is the way of salvation for human beings of all religions in an age in which we have to learn to live as a single family, if we are not to destroy ourselves."

In the many splendored history of South Asia, notwithstanding some instances of conflict and blood-letting, the great religions of the world such as Hinduism, Judaism, Christianity and Islam, and their numerous offshots and denominations have co-existed in broad tolerance. That inevitably gave birth, in the process of interaction amongst them, to certain common patterns of living and a composite culture, elements of which could be detected in every country of the region today. Receivers of a complex and variegated heritage—Dravidian and Aryan, Hellenistic, and Islamic, European and Christian, to mention just a few, all churned in the cauldron of history, the peoples of South Asia are re-emerging today with their identities crystalised, though mellowed in the process of prolonged interaction, as seven nations that comprise SAARC.

The subcontinent owes a deep sense of gratitude to its renowned Muslim poet Allama Mohd Iqbal whose fervor for the subcontinental unity found expression in the famous song,

THE SUNDAY TIMES OF INDIA, NEW DELHI,
September 10, 1995.

Where Muslims Perform Diwali 'Puja.'

By Smita Paul

AJMER; The Hindu-Muslim divide has never existed as far as the people belonging to villages like Ajaysen and Khadekri are concerned. Here, Muslims celebrate Hindu festivals and traditions and Hindus eat only halal meat and bury their dead.

Both these villages are inhabited by the Merat, Khatat and Cheetah tribes, who claim descent from the Rajput chieftain of the 11th century, Prithviraj Chauhan. Known to be strong and fearless, most of the men join the Army.'

At the Ratanlal-Hiralal tea shop in Khadekri, where the menfolk gather each morning to exchange local gossip and news, Jalaluddin, a venerable old Muslim, says the village is a predominantly Muslim one.

He goes on to say that the tribes were originally Hindus who were converted to Islam during the time of Mohammad Ghori. "Here, names make little difference", he says, "for we follow both traditions. So, in the same family, the father, can have a Muslim name, while his son can have a Hindu one."

Allauddin, a village elder goes to the Ramdeo (a local deity) temple as well as the mosque. All his children have Hindu names. During marriage ceremonies, he says, "if the women so wish, we have pheras (the Hindu tradition of the bridal couple going round the sacred fire) as well. And he claims that, "From one house as many as 20–22 coconuts are offered to Hindu gods."

In most Muslim homes, Diwali is celebrated with a full-fledged Lakshmi Puja. Holi is similarly celebrated, as also traditional Muslim festivals like Id and Shab-e-Barat.

People of both communities visit temples and mosques and after death, whether the person is a Muslim, or a Hindu, the body is always buried, never cremated. And people of both communities eat only halal meat. Most are reluctant to speak, but Braham Singh, a peon in the PWD department, being less suspicious of outsiders admits that there is a healthy mix of religious and cultural styles. Yakub Ali is a staunch Muslim and makes it a point to go to a mosque every Friday and also visits temples.

One of his brothers has a Muslim name and another a Hindu one.

The common identity phenomena gains further credence through dressing styles. Two Muslim women, Satari and Reshmi wear their lehnga (skirt) and choli (blouse) in exactly the same manner as Hindus. Satari does not celebrate Id, doesn't go to a mosque and yet claims to be a staunch Muslim.

Both these villages are close to Ajmer, which has the dargah of Muslim saint Salim Chishti and which is also the base-point for Pushkar, one of the holiest spots for Hindus.

Living in communal harmony perhaps comes easily to the people of this region

"Saare jahan se achha Hindostan hamara,
Ham bulbulen hain iske ye gulistan Hamara
Mazhab nahin sikhata aapas mein bair rakhna
Hindi hein ham, watan hei Hindostan hamara."

Prettier than the world entire
Is our subcontinent of Hindostan
Its cuckoo birds are we all
Its our lovely garden of flowers.
Religion teaches us not
Animosity towards each other
Citizens of this subcontinent are we
Home our sweet home is Hindostan.[13]

Iqbal is obviously referring to the entire subcontinent here as his watan or sacred land.

Still further in another verse he says
"Patthar ki moorton mein
Samjha hai tu khuda hai
Khaq e-watan ka mere
Har zarra devata hai"
In the images of stone
Thinkest thou dwelleth lord
Every particle of my soil
Is for me God himself.[14]

Kaji Nazrul Islam, the great revolutionary poet of Bangladesh, always prayed for Hindu Muslim unity. In one of his poems he says,

"Mora eki brinte duti kerse,
Hindu Musalman,
Muslim tahar
Hindu tuhar pran.
"We are but flowers
From the self-same branch of a tree
The Muslim is the jewel of the flower's eye
The Hindu its very heart atwine.

Qaid-e Azam Jinnah spelt out the philosophy of the newly emergent Republic of Pakistan in terms no different from the secular utterances of Gandhi, Nehru, Azad or Abdul Gaffar Khan. Jinnah said :

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[13] Quoted by H.S. Chopra in an article 'The Franco German Reconciliation : Its Relevance to the Indo Pak Perspectives on South Asian Peace Order' in the book SAARC 2000 & Beyond Edited by Mehrotra, Chopra, Kueck, Omega Scientific Publishers, New Delhi, 1995, p. 245.

[14] Ibid, p. 246.

"You are free; you are free to go to your temples, you are free to go to your mosques or to any other place of worship in this state of Pakistan, you may belong to any religion or caste or creed, we are starting in the days when there is no discrimination, between any caste, or creed and another."[15]

Jinnah went on to say:

"I think in the course of time Hindus will cease to be Hindus and Muslims would cease to be muslims, not in the religious sense, but in the political sense as citizen of one state."[16]

Nehru said that if religion deals not with dogmas and ceremonials, there should be no conflict between religions. The message of Ashoka as inscribed in his edicts beautifully brings forth this idea of unity and harmony among religions and sects. One of the edicts says,

> "The increase of spiritual strength is of many forms.
> But the root is the guarding of ones speech so as to
> avoid the extolling of one's own religion to the
> decrying of the religion of another." And further:
> "One who reveres one's own religion and disparages
> that of another from devotion to one's own religion
> and to glorify it over all other religions, does
> injury to one's own religion most certainly."[17]

The universal teachings of secularism and humanity are reflected upon by a Sangam Poet, Kaniyan Punganranar, so powerfully thus:

> 'Every city is my city;
> All people are my people."[18]

Thus the universalism of all religions is nowhere so well manifested as in the diverse lands of South Asia. There might have been clashes of ideology here and there and on the plane of material interests amongst the multiplicity of people comprising it, but in the world of the spirit, in the realm of art, philosophy, literature and fundamental values, the humanity of South Asia has had a unique sense of community throughout history.

The cultural bond among countries of South Asia is indeed so strong that even when Indo-Pak relations had touched a new low on account of differences on the Kashmir issue in recent years, there have been relatively uninterupted exchanges of artists, musicians and poets between them. Faiz Ahmad Faiz has been an all time favourite in India and Firaq Gorakhpuri has been equally savoured in Pakistan. Like the poets, the Pakistani gazal maestroes have also had a large fan following in India. Mehndi Hasan and Gulam Ali have woven magic in several Indian mehfils. Similarly Lata Mangeshkar, Amitabh Bacchan and Madhuri Dixit are household names in Pakistan. As a matter of fact purely at the peoples level there have been frequent flashes of the Hindi-Paki bhai-bhai sentiment. The two countries are not only historically, geographically and culturally linked, they also share three of their major languages Urdu, Punjabi and Sindhi.

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[15] Ibid, p. 247.

[16] Ibid, p. 24.

[17] Romila Thapar, 'Ashoka and the Decline of the Mauryas,' Oxford University Press, New Delhi, 1963, p. 85.

[18] Quoted from G.N.S. Raghavan (Ed.) 'Readings from India,' ICCR, New Delhi, 1980, p. 105.

Through long centuries, people living in this great subcontinent have intermingled with one another. The Dravidian, the Aryan, the Greek, the Scythian, the Central Asian, the Mongol, the Persian, the Arabic, the European and many more ethnic and cultural streams have all joined to fill up the mighty sea of the South Asian civilization. Nowhere else in the world have so many cultures met and coalesced with each other through the corridors of time, as in this subcontinent. Here we do not find uniformity of religious conduct and belief, but a harmonious blending of religious variety into a symphony of spiritual striving and quest. As a matter of fact the culture of the subcontinent is not of one country but of the whole South Asian region—a synthesis of not only blood and race but also of speech and thought as well as of culture-material, intellectual and spiritual. No where else can one see the universalism of religions so powerfully pronounced as in this part of the world. No where else has one noted better that all religions teach more or less the same moral code and all menkind is but one family. Now that the entire world is moving towards the concept of a global village, can the countries of South Asia hark back to their own heritage and convert their region into an ideal global village. That should certainly not be more difficult than throwing away the foreign yoke by nonviolent means half a century earlier.

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THE SECURITY ENVIRONMENT IN SOUTH ASIA

Introduction

In an article "Indo-Pak Ties Decline And Fall" in the Times of India of Sunday, 18 September 1994, N.B. Naqvi, from Karachi, drew attention to the controversy raised in Pakistan by revelations of the then leader of the opposition, Mr. Nawaz Sharif. Said Naqvi, "Hardly had the dust settled on the former Prime Minister's earlier bombshell about 'confiding' that Pakistan possessed an atom bomb, when the Washington Post published an interview Mr. Sharif gave to two correspondents of the newspaper in May last. In it, according to the Washington Post, he is said to have disclosed that the-then Army Chief (General Aslam Beg) had brought an ISI plan for approval in which Pakistan army's covert operations were to be financed by organising or encouraging the sales of heroin. Mian Sahib says, he flatly rejected the idea. He claims to have forbidden the Army to do anything of the sort."

The Washington Post interview was followed by the usual sequence of denials and affirmations as the Government of Pakistan moved in to contain the damage. However, it is not possible, any longer, to throw a blanket on ISI's covert operations against India and its desire to sustain them at any cost. General Aslam Beg has since confirmed that Pakistan has been a nuclear weapon power since 1987, has conducted simulated nuclear weapon tests and has acquired delivery capabilities. At the Geneva Conference on Disarmament in 1996, in the draft resolution which India eventually vetoed, Pakistan was described as a threshold nuclear weapon power and was bracketed with India and Israel. Pakistan's sponsorship of terrorism in parts of India that are not just contiguous with it but even far removed from it has been seen in India as Pakistan's low-intensity proxy war against India. Combined with the other war Pakistan had launched on the diplomatic front, taking the issue of Kashmir to every possible international forum and India's decision to assume the diplomatic counter-offensive in exposing Pakistan as a sponsor of terrorism brought out the fragility of Indo-Pak relations. One really wondered with Naqvi whether they could sustain any more tension. The ripples Indo–Pak tensions generate affects the entire South Asian environment.

Simla Agreement

In this scenario, one cannot but revert nostalgically to the environment of normalcy that had been created in the subcontinent by the Simla Agreement two decades ago. The Simla Agreement achieved for South Asia what the Conference on Security and Cooperation in Europe (CSCE) had achieved for Europe a decade later in terms of starting the process of normalisation of relations between the two major adversaries in the region. Signed in 1972, the Simla Agreement had led to the release and return of Pakistani prisoners of war numbering over 90,000, the establishment of the Line of Control in the State of Jammu and Kashmir as the line of peace and tranquillity with both sides solemnly affirming that they would do nothing to alter the status quo while pledging to resolve all their differences by peaceful means, through negotiations. Moved by the desire to establish durable peace in the region, both sides undertook not to indulge in adverse publicity against each other, but promote instead, good-neighbourly relations. Diplomatic relations between the two countries were restored, as also trade and transit links, while the Simla process unfolded itself.

SAARC

In the wake of the Simla Agreement, came Pakistan's recognition of Bangladesh as a sovereign and independent country and initiation of a dialogue, in course of time, among the seven countries of the region with a view to establish a South Asian organisation to promote cooperation among them. SAARC was thus born in 1985. The path of conflict was to be shunned by the nations of the region to make way for peace and harmony with pride in their shared history, the common bonds of civilization and faith in their capacity to forge a better future for themselves, individually and collectively.

Thus Simla Agreement's contribution to the peace and security of the region was signally important. The undertaking not to disturb the status quo on either side of the Line of Control had the same ring to it as the Helsinki Agreements' recognition of existing borders in Europe. The Simla Agreement has kept active hostilities between India and Pakistan away now for 22 years.

The Simla process suffered a serious setback, however, when, in the late eighties, Pakistan changed its sights and decided to internationalise the Kashmir issue. It launched a major publicity offensive against India globally, started dispatching well-trained guerrillas equipped with sizeable quantities of weapons and ammunitions across the LOC, occasionally under its artillery cover and aiding and abetting terrorism in Punjab, Kashmir and other parts of India. Some see in this the usual row between India and Pakistan on the Kashmir question, while others look at it as a conflict along the fault lines of civilisation, one fundamentalist and culturally exclusive in character and the other multi-ethnic, multi-cultural and multi-religious, based on the concept of secularism and coexistence of all the segments of the society within the fold of a liberal Constitution that guarantees every citizen equality of status and equality of opportunity irrespective of caste, colour, creed or sex.

The situation is definitely more serious than an ordinary row between India and Pakistan on the Kashmir issue, but certainly much less serious than anything like a clash of civilizations, the prism through which conflicts are being seen by some serious historians in the post-cold war world. Be that as it may, the fact is that the two countries are passing through a grim phase in their relations which is neither that of peace nor war. Their horns are locked in a sort of a military rivalry which refuses to end. India asserts that its large frontiers, both land and sea, dictate the force structures it should have to guarantee its defence. Pakistan understands this, but perceives India, for that very reason, as a military giant which it must equal not only for egotistical purposes but in order not to be overwhelmed militarily by its much larger and potentially more powerful neighbour. India asserts that it cannot undo its size or its defence commitment but that its major military competitor is China not Pakistan. The vicious cycle, thus, goes on, involving huge expenses that are diverted from the path of development in acquiring technologies and equipment for destructive purposes and to increase the size and the punch of the fighting machinery. (see box item)

The China-India-Pakistan Syndrome

To a great extent, the security environment in South Asia has been a victim of the China-India-Pakistan syndrome. It is heavily dominated by the politico-military relationship among these three countries. Bad enough due to contentions between India and Pakistan in the wake of the partition of the subcontinent, that environment got vitiated in the extreme by the Sino-Indian border war in the early sixties. As a consequence of the latter, Pakistan and China became natural allies since 'enemy's enemy is a friend'.

Thus, Sino-Pak political and military relations galloped forth after China's war with India. In order to win China to its side, Pakistan transferred a part of the territory of the State of Jammu

TIMES OF INDIA
Wednesday April 9, 1997

S Asia has penny for poor, pound for arms

Kathy Gannon

ISLAMABAD—South Asia is the poorest and most illiterate region in the world, yet its governments buy more weapons than anyone else.

"The South Asia region has been sinking fast into a quagmire of human deprivation and despair, emerging as the most deprived region in the world," says a United Nations-funded report released on Wednesday at the end of a three-day seminar on development in South Asia.

"To many people, the blunt facts, stated in this report may come as a shock," said Mahbub-ul Haq, author of the report and founder of the Pakistan-based Human Development Centre.

The 153-page report offers a litany of statistics that show South Asia's deprivation.

- More children go to bed hungry every night in South Asia than anywhere else in the world, including sub-Saharan Africa.
- An estimated 134 million children work in South Asia. Many of these children work over 15 hours a day and are often physically abused.
- Of every 100,000 children born in South Asia, nearly 600 mothers die. In Bangladesh it is even higher at 850 maternal deaths and in Bhutan, still higher, with 1,600 mothers dying.
- The World Bank estimates that the region contains about 40 per cent of the world's absolute poor surviving on just US$ 1 a day.
- India spends US$ 10 per capita on defence and Pakistan US$ 26. On health and education India spends US$ 14 per person and Pakistan US$ 10

The report defines South Asia as Pakistan, India, Bangladesh, Sri Lanka, Bhutan and Maldives.

Mr Haq said the reasons for South Asia's slide are many: political instability, bad governments, corruption and lawlessness.

"No one is going to take a chance investing in this region," he said.

The two political powerhouses in the region, India and Pakistan, are believed to have the capability to build a nuclear bomb and they are on the verge of embarking on a missile race, says the report.

"The most frightening aspects of the current Indo-Pakistan confrontation are the rapid acquisition of modern weaponry by both countries," it adds.

"Such huge investments are pre-empting scares financial resources urgently needed for human development," it says.

Mr Haq's report lays out a tough agenda for change.

"It requires primary schooling for 126 million children, basic health care for 690 million people, safe drinking water for 770 million people, adequate nutrition for 87 million children and provision of family planning services to 287 million married couples," says the report.

And all this will cost about US$ 129 billion over the next 15 years or US$ 8.6 billion a year.

But Mr Haq says, "A lot of tough decisions would have to be made, like massive reductions in defence spending—in line with the rest of the world."

Just a five per cent cut in spending could mean an additional US$ 80 billion in the next 15 years.

But it's possible, Mr Haq adds.

"It's amazing how much can change with just good government," he said in an interview.

People in the region, he added, are putting increasing pressure on their government, demanding jobs, good government and less corruption.

"People are really scared...unless it is done now we are really going down the drain," he added.

TIMES OF INDIA
Tuesday April 22, 1997

Unfair comparison: Figures are Distorted, Mr Haq

K Subrahmanyam

Mr Mahabub-ul Haq, an eminent Pakistani economist well known for his work on poverty alleviation and human development was also finance minister and planning minister in the regime of General Zia-ul Haq in the eighties. He now heads the Islamabad Human Development Centre. That institution has brought out a report *Human Development in South Asia—1997*. It is a fervent plea for all South Asian nations to mend their way and launch reforms. It advocates increased investment in education, outward looking trade strategies, institutional reforms, increased mobilisation of savings and their investment and good governance.

All these are unexceptionable and broadly coincide with the reforms programme launched in India since 1991. He also advocates scaling down the defence expenditures and India has been implementing this recommendation also. His report paints an alarmist picture of the situation in South Asia in respect of national security. While his intentions are well meaning, his data on the Indian defence effort have major errors and he does not appear to appreciate that South Asia has had interstate peace for a much longer period than South East Asia, West Asia, Africa and Latin America. Not only there has been 25 years of peace, it also looks like this peace will endure. His report would have been more valuable if he had analysed the defence spending by Pakistan and India in a more balanced, sober and disaggregated manner.

The basic facts on defence spending by India and Pakistan, as projected in the *World military expenditures and Arms Transfers, 1995* issued by the US Arms Control and Disarmament Agency are as follows—India is the 16th country in the world in GNP and its military expenditure is 14th in the global ranking. Pakistan is 48th in its GNP and 31st in total military spending. In terms of the burden of military spending, India with 2.9 per cent of its GNP as defence expenditure ranks 126th in the world while Pakistan with its six per cent is at 91st place, 35 places ahead of India. While India's defence expenditure as a percentage of GNP is below the world average of three per cent, Pakistan's is double that of the world average. Contradictory to the exaggeration in Mr Haq's report that arms imports in South Asia exceed that of Saudi Arabia, India ranks 28th and Pakistan 18th in arms imports in the world while Saudi Arabia ranks first.

Contraception in India has spread from 12 to 43 per cent, while in Pakistan it has gone up from four to 12 per cent only. Though Pakistan fares better than India in maternal mortality rate and in terms of infant birth weight the infant mortality rate in that country is worse than in India. This is the case with the under five mortality rate also. In the immunisation of children against tuberculosis and measles, India is way ahead of Pakistan. In access to health services and safe water, India is ahead of Pakistan and slightly above that for the developing world. Pakistan which started as a food surplus country is now dependent on imports to the extent of 14.1 per cent, while India has achieved food self-sufficiency. While India's population growth in decelerating, Pakistan's growth is accelerating. This implies an increased import dependency in future.

In education, Pakistan's performance is even worse. While India's literacy rate (1993) is 51, Pakistan's is 36. Primary enrolment in India is 102 per cent while in Pakistan it is 46. While the drop-out level at the primary stage in India is 34, in Pakistan it is 47. In secondary and tertiary enrolment, the Indian figures are more than double that of Pakistani figures. In education expenditure, India spends 3.7 per cent of its GNP, well above its defence spending of 2.9 per cent while Pakistan spends 2.7 per cent, less than half of its defence spending.

India saves 24 per cent of its GDP while in Pakistan it is 12 per cent. Pakistan received three per cent. of its GNP as external assistance while India's share of such assistance is less than one per cent. India's per capita external debt is half that of Pakistan's. That India has done better than Pakistan and has already launched on the package of policies recommended by Mr Haq is no justification for our past and present mistakes. India can do very much better. But in India's case the main culprit is not an inflated and higher than justifiable defence expenditure. It is already lower than the world average and is dictated by the threats posed by Pakistan.

India can continue with its modest defence expenditure of less than three per cent and go ahead with all the reforms advocated by Mr Haq. He has to think about whether Pakistan can continue with its six per cent defence expenditure and what its consequences will be. It is futile to club all of South Asia together and deliver one sermon to those who want to alter the 50 years of *status quo* and started the three earlier wars and those who have been victims of three past aggressions and massive terrorism unleashed by Pakistani policies over the last 14 years.

and Kashmir from under its occupation to China. After three decades, China's relations with India are normalising. The process began with the restoration of full diplomatic relations between the two countries, in 1976, when their Charged' Affairs in both capitals were replaced by full-fledged Ambassadors.[1] The next stepping-stone was the visit of Prime Minister Rajiv Gandhi to China, in 1988, when the Joint Commission was established at the level of Foreign Secretary to resolve the border conflict through negotiations. Since then, the military tension between the two countries across the Himalayan frontier has eased considerably. Prime Minister Rajiv Gandhi's visit was reciprocated by Premier Li Peng's visit to India in 1992. Yet another milestone was reached when, during the visit of Prime Minister Narasimha Rao to Beijing in 1993, both sides decided to convert the border into one of peace and tranquillity. During the visit of President Jiang Zemin to India in 1996, the process received a further boost but India remains conscious of Chinas huge military power to the north.

A super power in the making, China's nuclear arsenal consists of eight inter-continental ballistic missiles, one nuclear-powered ballistic missile submarine, 60 intermediate range ballistic missiles and about 200 nuclear capable bombers. T.V. Kunhikrishnan in his article on the subject in the Times of India of 5 September 1994 has quoted US Intelligence agencies to the effect that China has 'illegally' acquired "Patriot Missile" military technology from a third country. It has benefited from the economic hardships of Russia and other countries of the CIS by buying weapons and technology at bargain prices. It has sold ballistic missiles and production technologies to Pakistan and has given Pakistan 1700 tanks, 400 light aircraft, 30 naval vessels and supposedly a number of M-11 missiles which are capable of carrying nuclear warheads. On top of that, China is reported by CIA of America to have supplied to Pakistan 5000 magnet rings that would help Pakistan enrich uranium as also carry out explosive nuclear tests. The supply is in violation of the NPT to which China now subscribes. China's nuclear installations and nuclear R&D facilities are located in several places in Tibet. India has to contend with China's mounting military power and potential and the Sino-Pak military nexus with all its adverse consequences on the security environment in South Asia.

According to the 1994 figures of per capita defense expenditure (IDSA : Asian Strategic Review 1994), it was US$ 8.09 in respect of India, US$ 17.34 in the case of China and US$ 26.86 in regard to Pakistan. In 1995 the disparity is even greater as the Table 1 shows.

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[1] The author was the Charge d'Affaires of India from 1973–76 and instrumental in bringing about the agreement between India and China to exchange Ambassadors again.

On defence, every Chinese citizen is thus taxed more than twice his Indian counterpart and every Pakistani more than three times as much as an Indian. One might argue that the per capita defence expenditure in respect of these three countries is considerably below the world average of US$ 202 per person annual and even below the average in respect of the developing countries which stood in 1991 at US$ 42 per person. As compared to the per capita expenditure of US$ 754 in the developed countries, that of Pakistan, China and India, is very small -India's in particular, being just about 1 per cent thereof. But even these relatively low levels of defence expenditure impose a heavy burden on the people of the region who are struggling hard to get over the colonial legacy of illiteracy, ill-health, deplorable sanitary conditions, poverty, inadequacy of communications and poor infrastructure in terms of highways and transport systems. For every 1000 persons, Pakistan has 5.33 soldiers in its armed forces, China 2.59, and India 1.43. To restore the balance and to reduce military expenditures, the strength of their armed forces should be reduced to one soldier per one thousand of population uniformly.

Table 1

Relative Assessment of the Military Power of China, India and Pakistan and Expenditure Incurred in 1994–95

	Def. Exp in billion US$	GDP (in US$)	Armed Forces (1000)	Popul-ation (mns)	Def. exp. GDP (%) def. exp	Per capita 1000	Soldiers every 1000
1994							
India	7.37	291.11	1100	910.00	2.53	8.09	1.20
Pakistan	3.40	55.48	803	122.63	6.86	26.86	6.55
China	20.64	563.32	3200	1190.0	5.63	17.34	2.69
1995							
India	8.00	334.17	1100 +200(R)	928.8	2.39	8.61	1.18
Pakistan	4.32	62.79	803 +500(R)	126.07	6.88	34.26	6.37
China	23.99	—	2900 +1200(R)	1201.0	—	19.98	2.41

Source : (IDSA: Asian Strategic Review 1994–95)

The 1993–94 figures of China's military expenditure as compared to the military expenditure of countries in South Asia is shown in Table 2.

Thus, the countries of South Asia together spent about 12 billion dollars on defence in 1994. Even cutting it by 33 per cent in concert with each other would give them a saving of 4 billion dollars straight away for development purposes. However, the defence expenditure of all South Asian countries together is not even half

China's, and, unless China reduces its defense expenditure, South Asian expenses cannot be expected to go down sizably because of an almost causative link in this respect between China, India and Pakistan.

Table 2

Defence Expenditure of major South Asian Countries vis-a-vis China in 1994

Countries	Def. exp. US$ (bil.)	GDP in US$	Armed Forces (1000)	Popul-ation (mns)	Def. Exp. % of GDP	Per capita def. exp.	Soldiers every 1000 persons
China	20.64	563.32	3200.0	1190.00	5.63	17.34	2.69
India	7.37	291.11	1100.0	910.00	2.53	8.09	1.20
Pakistan	3.40	55.48	803.0	122.63	6.88	26.96	6.55
Srilanka	0.486	10.50	106.0	17.82	4.72	27.81	5.84
Nepal	0.042	—	35.0	20.00	—	2.02	1.66
Bangladesh	0.402	—	115.5	124.86	—	3.22	0.92

Source : (Based on information given in the IDSA Annual Report 1994–95 and UNDP's Human Development Report 1995)

It will be observed that within the region, per capita defence expenditure is the highest in the case of Pakistan, as also the number of soldiers for every one thousand citizens. The size of its armed forces is three fourth India's whereas its area is nearly 1/5th India's. It spends three times more than India in terms of defence expenditure as a proportion of GDP. This has created a major military imbalance in the region. There is also a considerable military imbalance between China and South Asia. While the combined population of SAARC countries is more or less the same as China's defence expenditure is twice the defence expenditure of all SAARC countries combined. The impact of this imbalance on the standard of living in India has been very adverse. After the 1962 war with China, India had to divert a lot of its valuable national resource to building military capability, and it cannot lower down its defence expenditure any further unless China and Pakistan both do so drastically.

China came out of its war of liberation in 1949 with a highly tested military machine and, as years passed by, it gave it more teeth and muscle. After having defeated the Kuo Mintang, the PLA occupied Tibet and lined itself up along the Himalayan frontier, converting a peaceful border with India into a hot bed of tension to a point that it developed direct military confrontation with Indian armed forces in 1962. China has emerged as the third largest military power in the world, and its recent economic strides in contrast to Russia's economic debacle might soon turn China into a super power next only to USA. Both Japan and ASEAN are preparing themselves for that eventuality, but there is no concerted thinking among countries of South Asia on the issue.

Between 1979 and 1989 the strength of the Chinese armed forces went down from 4.5 million to 3.9 million but its military expenditure went up from US$ 14 billion to 22 billion (1990 estimates of the U.S. Arms Control and Disarmament Agency). The increase in costs stemmed, in the main, from the modernization drive. As China's economic performance improved, its increased wealth and mounting foreign exchange reserves enabled it to take its defence capability several leaps forward. Since 1992, its defence expenditure has been rising at an annual average rate of 16.91 per cent (IDSA: Asian Strategic Review 1994–95). The technologies used during the Gulf war have spurred China's modernisation drive further, and taken its defence preparedness to much higher levels through additional investments in R&D for the evolution of advanced military technologies and, where necessary, acquisition of more sophisticated weapons and technology from abroad. Increased access to military technology from both the West and Russia has given a major fillip to China's military modernisation programme. Its priority areas include strategic weapons, naval build up, missiles, communications, logistics, aerospace, 'longer-range capabilities, "over the horizon" and rapid response military power projection. Another thrust area has been weapons for exports, often stimulating the race for military technologies and weapons among countries engaged in regional conflicts such as Pakistan in South Asia. All this casts a vicious shadow on the peace and security environment in South Asia inevitably.

India's defence expenditure shot up from Rs. 1.1 billion in 1960 to Rs.189 billion in 1993–94. India's defence expenditure in current rupees started rising at a faster rate from 1982–83 onwards. The highest rate of growth was in 1986–87 when it grew by a record 31.17 per cent in one year. From then on, the annual rate of growth has been mostly declining and it touched the lowest level (+3.8 per cent) in 1991–92. The estimates for 1995–96 indicate an increase of 10.87 per cent over the previous year. During the past 15 years defence expenditure in current rupees has grown from Rs. 46.5 billion in 1981–82 to a budget of Rs. 255 billion for 1995–96. In US dollar terms, it stood at $ 9.6 billion in 1990, $ 6.53 billion in 1991, $ 6.9 billion in 1992, and $ 6.19 billion in 1993. It went up again in 1994 to $ 7.37 billion due to the mounting tensions in its relations with Pakistan and Pakistan's military expenditure having reached an all time high of US$ 4 billion in 1993. Thus, the military competition between China and India and the latter and Pakistan has continued at a cost to their infrastructure development and national allocations for health, education, family welfare etc. which have a direct bearing on the quality of life. In the case of Pakistan, for example, in the year 1992–93, in proportion to the GDP, the expenditure on health was 0.81 per cent, education 2.40 per cent and defense 7.14 per cent. China's nuclear weapon test in 1964 fuelled India's PNE in 1974, which, in turn, prompted Pakistan to develop the 'Islamic' bomb a decade later. India is not a nuclear weapon power like China, but it is supposed to be well up in nuclear weapon technology, and has boasted officially that it can manufacture nuclear weapons at short notice should it become necessary for it to exercise that option in the interest of national defence. The race for weapons of mass destruction thus goes on in the subcontinent both due to regional and extra-regional factors.

The impact on India of China's military build-up and resources is direct and immediate. China's military occupation of Tibet in the 1950s, and border war with India in 1962, marked a watershed in India's military history. Its defence expenditure, which was a mere 1.8 per cent of its GDP on an average since independence, shot up to 4.4 per cent of the GDP in 1963–64, and maintained an average of 3.64 per cent of the GDP in the next quarter century. That was double of what it had been when freedom came. The 1962 war with China, and its totally adverse outcome for India, forced a substantive expansion of India's defence capability. Thereafter, India raised 11 mountain divisions and its Air Force almost doubled from 25 squadrons to 45 in the wake of the conflict with China. It is noteworthy that with the start of border talks between the two countries, headed by the Foreign Secretary on the Indian side and the corresponding Deputy Minister on the Chinese side, following Prime Minister Rajiv Gandhi's visit to China, and a scenario of peace and tranquillity developing along the Line of Actual Control, India's defence expenditure as a proportion of GDP and total government expenditure went down as shown in Table below.

Table 3

India's Defence Expenditure as a Proportion of GDP

Years	% of GDP	% of TGE
1988–89	3.37	10.25
1989–90	3.19	9.17
1990–91	2.97	8.94
1991–92	2.68	8.25
1992–93	2.50	8.17
1993–94	2.44	8.17
1994–95	2.39	8.89

(IDSA : Asian Strategic Review, 1994–95)

Just as China and India have remained engaged in an arms race due to their border difficulties and territorial disputes and differences, so have India and Pakistan. As a matter of fact the burden of defence on Pakistan has been far more heavy than on either India or China. The average ratio of Pakistan's defence expenditure in Central Government's total expenditure has been of the following order over the years as shown in Table below.

Table 4

Pakistan's Defence Expenditure as Proportion of TGE

Years	% of TGE
1961–70	56.098
1971–80	40.853
1981–90	31.950
1991–94	36.603

(IDSA : Asian Strategic Review, 1994–95)

Just as the border war with China precipitated very heavy expenditures on India's part on defence, Pakistan raised its defence expenditure radically after its 1965 and 1971 wars with India. The latter went up more than twice in one year from Rs. 1262 million in 1964–65 to Rs. 2855 million in 1965–66, from 4.82 per cent of the GDP to 9.86 per cent, and jumped again in 1971–72 to 7.48 per cent of GDP from 6.93 per cent, the previous year. Pakistan's defence expenditure leaped in 1974–75 by 39.7 per cent over the previous year and two years later by another 33.07 per cent. In the aftermath of the 1971 war, the size of Pakistan's Army nearly doubled, the Navy grew three times and the Air Force combat aircraft one and a half times. During 1992–93, the defence expenditure and debt repayments amounted to 84.2 per cent of the fiscal budget of Pakistàn, leaving a little over 15 per cent for the rest. (IDSA, ASR 94–95). The proportion of Governmental fiscal resources for defence over the decades has been coming down as noted in the above Table. The rate of growth declined with each successive decade. However, during the past four years there has been a reversal of that trend and it has registered a notable 13.37 per cent increase. Pakistan's defence expenditure as a proportion of the total (federal plus provincial) government expenditure has averaged 26.43 per cent during the past ten years. That is a clear manifestation of the cost of military confrontation in the region and of non-cooperation. (see box item)

Despite staggering disabilities imposed by militarisation, the accretion of arms in the region continues. In mid-1991, Pakistan is believed to have received 60 Chinese M-11 tactical surface-to-

THE NATION, Lahore (Pakistan), 18 August 1994

Noor Khan for US defence umbrella

LAHORE—While Islamabad has been resisting the US pressure regarding freezing of Pakistan's nuclear programme even in exchange for F-16 aircraft, Air Marshal (Retd) Noor Khan has come up with an altogether different opinion: "Pakistan should freeze its nuclear programme provided it is guaranteed safe borders by the UN and the big powers." Noor Khan thinks Pakistan should get under the US defence umbrella as "our armed forces are not in a position to sustain a war with India even for a short period of time owing to the defence gap between the two states which has widened substantially, definitely favourably for India."

The retired Air Marshal was speaking at The Nation Forum on Wednesday about where Pakistan stands today militarily and what it's defence priorities should be.

Further, he argues the nuclear option cannot bring the defence expenditures down. "Presumably, if the nuclear capability is achieved, you (the army) will again be demanding modern weapons."

Covering all the possible military options, he painted a grim picture with little chances of survival for Pakistan if it keeps pursuing its military objectives. He contends that Pakistan should reduce its military expenditures drastically and instead concentrate on economic development programmes as, he believes, the economically prosperous states are given due status and respect in the comity of nations.

In the eventuality of a war with India, Noor Khan firmly believes Pakistan, given its military preparedness, "would be running to the Security Council to ask for a cease fire." He is against war with India also because he thinks that in the three wars with India, the Pak Armed Forces have failed to perform even to their own expectations.

Further, he deems the war of 1965 was a landmark for subsequent disasters Pakistan faced. He said President Ayub Khan started the 1965 war with full confidence. "But the every next day, he realised his mistake. That's why we started looking for a ceasefire soon afterwards."

Noor Khan said, India never dared attack Pakistan. "We ourselves waged all the four wars against India." He said, East Pakistan was in a way separated after 1965 war "as it had realised that we are not serious in defending it".

He said, it was because of the US that West Pakistan remained safe in 1971 Indo-Pak war.

Reviewing the strength and viability of the PAF and the Pak navy, what Noor Khan had to say was rather perturbing and disturbing. "PAF stands crippled today as it is totally dependent on the US. So neglected has been the Navy that it is hardly a viable force at present." Then he warned against India's military strength which has increased manifold.

He said in these circumstances when the Pak Armed Forces are incapable of even sustaining a war, it would be like bluffing the nation. "if you say you are offering viable defence to the country when you can't fight with present resources.

After thoroughly reviewing Pakistan's military standing vis-a-vis India's the former PAF Chief called it a 'suicidal' course Pakistan is following" which shows you have not learnt nothing from your mistakes."

"The present defence policy is good only to defend Punjab," he observed. He said no country would ensure supply of arms to Pakistan in case of war. "And no war can be fought without the active support of allies."

Pak Army wants to fight a war which no army in the world can fight, he added. Saying that Pakistan's defence is not viable, he holds that country's military expenditures cannot be afforded.

He says no country can afford to spend as high a proportion of its resources on defence as Pakistan has been doing. "It is simple mathematics that we cannot afford to have the Army that could meet the Indian Army's threat."

Hinting at the US defence umbrella, he said more and more attention should be paid to the economic sectors. He cited the example of the Far Eastern countries which, he said, sought a defence umbrella in different forms and kept their own defence expansion to the minimum with their main thrust towards the economic development.

"If we had concentrated on our economic power as the South Koreans did, we would certainly be well on our way to being a literate society with the potential of being another South Korea in this part of the world. While maintaining a minimum force, we could have continued with the task of development and producing a population that is literate."

surface missiles which were subsequently integrated into a heavy missile brigade. M-11's are nuclear capable weapons, more modern, accurate, mobile and quicker to launch than Scud missiles used by Iraq against Israel during the Gulf war. In addition, China admittedly supplied a number of ballistic missiles with a range of 200 km. to Pakistan. Besides, USA supplied military equipment worth over US$ 160 million in 1991 and 1992 to Pakistan, notwithstanding the Pressler Amendment. Besides this sale, the US Administration allocated another US$ 106 million as security assistance to Pakistan, and yet another US$6.961 million as loan on concessional terms (Times of India, 7 March 1992) for military purchases. Due to the U.S reluctance to authorise the delivery of 71 General Dynamics F-16 fighters indented by Pakistan, Pakistan has opted for 40 equivalent Chinese-built aircraft for delivery in 1994. China is upgrading radar and avionics systems of these air craft for Pakistan. Pakistan has also shown interest in acquiring Russian SU–27 and Mig-29 aircraft and French Mirage 2000 and Raphel, the latest in the French series of combat aircraft (IDSA: Asian Strategic Review, 1993). USA has also been supplying to Pakistan most sophisticated equipment worth US$ 368 million under the Hank Brown Amendment that includes PC 3 Orion aircraft, Harpoon missiles and spare parts for the F-16 aircraft in Pakistan's Air Force.

Apart from acquiring 320 T-72 MI tanks at a cost of nearly half a billion US dollars from Poland, Pakistan Heavy Industries is undertaking a four-phase tank modernization and production programme with the assistance of China's NORINCO. These facts go to demonstrate the extent of China's commitment to keep Pak armour up-to-date and to assist it in every way possible to sustain its military posture against India (See box item).

India, on its part, is endeavouring to meet the challenge by a mix of imports and indigenous production, heavily straining its national resources. In 1988, it finalised yet another deal with the former Soviet Union for the purchase of one squadron of Mig-29s fitted with larger pulse Doppler look-down radars giving them 24 hour all-weather operating capability against low flying targets. In 1989, India emerged as the top manufacturer of major weapons among the Third World arms producers, and, by 1992, the largest third world importer of arms. (UNDP Human Resource Development Report 1995). In 1997, another series of contracts with Russia for military supplies have been undertaken.

The statistics in Table 5, from UNDPs Human Development Report 1995 give a vivid picture of the Military Expenditure and Resource Use Imbalances in the case of South Asia, China and some developed countries such as USA, Canada, Germany and Japan.

It will be observed that in the year 1990–91, military expenditure as percent of combined education and health expenditure in the year 1990–91 was 41 per cent in respect of Bangladesh, 35 per cent in respect of Nepal, 65 per cent in respect of India, 107 per cent in respect of Sri Lanka, 125 per cent in respect of Pakistan, 114 per cent in respect of China, as compared to only 46 per cent in respect of USA, 29 per cent in respect of Germany, 13 per cent in respect of Canada, and 12 per cent in respect of Japan. It is clear that countries in South Asia are spending much too much by way of military expenditure as compared to their expenditure on education and health as a proportion of their total government expenditure, while the developed countries spend a much lesser proportion of their total governmental expenditure on defence. It is also clear, however, that the total defence expenditure in South Asia cannot be expected to go down, unless China lowers it. China is not a part of South Asia but its defence links with Pakistan are strong enough to influence the power balance in South Asia.

As India has to address itself to the military strategy and development of China and Pakistan, China has to relate itself, in turn, not only to what is happening in military terms south of the Himalaya and the Hindu Kush, but in Russia and USA. The Pacific rim of Asia concerns these three military powers in particular, as

TIMES OF INDIA, 16 January 1996

Armed to the Teeth

Pakistan is reported to have finalised a deal with Finance for 40 Mirage-2000.5 and 150 upgraded Mirage F-1 aircraft. Pakistan already has 116 Mirage IIIs. Vs and F-Is and 34 F-16s in its inventory. In the next few years Pakistan will have a formidable modern air force with an impressive fleet of 350 aircraft with updated avionics. It is to be assumed that the present Mirage inventory of Pakistan would also be upgraded. Pakistan is also collaborating with China in the development of modern light combat aircraft with sophisticated Israeli inputs from their discontinued LAVI programme. These aircrafts are to come with the latest air to air and air to ground missiles. Pakistan has always laid special emphasis on having offensive airpower and in both the 1965 and 1971 wars, it resorted to first air strikes without warning. In addition, in 1971, the U.S. permitted Pakistan to have aircraft of U.S. origin transferred from the Middle East, which makes it imperative for Indian security planners to take into their future calculations such surge augmentation of sophisticated aircraft. When dealing with modern sophisticated defence equipment, the bean counting approach favoured by western analysts should be rejected. In the air war over Lebanon in 1982, Israelis shot down scores of Syrian aircraft for the loss of negligible number of their own aircraft because of the sophistication of U.S.supplied airborne surveillance systems, avionics and air-to-air weapons. No doubt successive chiefs of Air Staff in India have reassured the country that the Indian Air Force will keep its margin of superiority over its Pakistani counterpart. But the present plan to augment the PAF alters the scenario considerably.

In view of this, the air threat needs to be reassessed realistically. Necessary counter measures to project an adequate deterrence must also be initiated. The introduction of Prithvi missile into service assumes crucial significance in this context. Prithvi has a cost-effective role against airfields and installations and equipment thereon. For the cost of one modern aircraft, dozens of Prithvi missiles cane be procured. Therefore, they should form a vital part of the Indian deterrence against Pakistan air offensive. Since the industrial countries of the West are not known to observe any restraint on arms sales, the country cannot afford to suspend production of 'Prithvi' missiles. The Indian restraint should be in terms of deployment and not production and stockpiling. It is a moot question how Pakistanis to finance this massive weapons induction programme given its already high debt burden and budgetary deficits. There is a possibility that this purchase may be financed by increased drug sales. In the alternative such high defence spending could have the kind of impact it had on the Soviet Union. Neither of the two contingencies will be in India's interest.

Table 5

Military Expenditure and Resource Use Imbalances

Countries	HDI rank	Defence Expenditure						Military exp. as % of combined health & education exp.		Import of conventional weapons		Total armed forces	
		US$ million (1985 prices)		As % of GDP/GNP		Per capita US$ 1985 prices				US$ millions	1987 -100	Thous- ands	Index 1985 100
		1985	1992	1985	1992	1985	1992	1960	1992	1992	1992	1992	1992
Bangladesh	146	169	234	1.2	1.3	2	2	..	41	258	64	107.0	117
Bhutan	160	..	..	..	..	..	..	..	..	..	..	..	..
India	134	6263	7550	3.0	2.5	8	9	68	65	1151	26	1265.0	100
Maldivs	..	..	..	..	..	..	..	..	..	..	..	..	..
Nepal	151	36	36	1.5	1.1	2	2	67	35	.	..	35.0	140
Pakistan	128	2076	3252	6.9	7.7	22	27	393	125	210	28	580.0	120
Sri Lanka	97	228	350	3.8	4.9	14	20	17	107	..	..	105.9	281
China	111	19850	22364	5.1	5.0	19	19	387	114	2073	2961	3030.0	78
Germany	15	19922	19252	3.2	2.4	263	251	67	29	..	..	447.0	94
Japan	3	13151	16901	1.0	1.0	109	136	17	12	..	..	246.0	101
USA	2	258165	242717	6.5	5.3	1079	964	173	46	..	..	1913.8	89
Canada	1	7566	7790	2.2	2.0	298	288	66	15	..	..	84 0	101

Source : HDR 1994.

it does Japan, Taiwan, Korea and the ASEAN countries. This linkage, therefore, has to be properly addressed. If defence expenditures of countries in South Asia have to be brought down, there would be need to ensure that there is a dialogue on security issues, involving at least three other military powers on the Asian scene viz. Russia, China and USA. That dialogue will have to be held in the context of global disarmament rather than disarmament in South Asia alone-in terms of a phased general disarmament. It is not in the interest of South Asia to throw out of hand Pakistan's proposal for a 5–power dialogue, but it is necessary to expand its terms to encompass a whole gamut of security issues in the entire Asian region, rather than just the nuclear issues between India and Pakistan.

The Indo-Pak Nuclear Issue and NPT

The nuclear issue between India and Pakistan has shot into prominence again. The matter has been receiving increasing attention in the world media due to the worsening state of Indo-Pak relations in recent years. In order to generate the false impression that the two countries are in the grip of a war hysteria, the western press has been highlighting their arms race and has even reported that both India and Pakistan have been planning to carry out nuclear weapon tests.

The announcement by Mr. Nawaz Sharif, and General Aslam Beg about Pakistan possessing the atom bomb did not come to India either as a surprise or shock. Though it has refrained from weaponising its nuclear capability, India has been developing its defence-preparedness on the basis that its neighbour China is a well established nuclear power and that Pakistan, too, is capable of using nuclear weapons against India. What India underlines, however, most emphatically is the fact that the very proponents of nuclear non-proliferation and signatories to the Nuclear Non-proliferation Treaty have allowed Pakistan all these years to smuggle nuclear technology and fissile material under their very eyes. Moreover, India that has remained a picture of restraint, despite its technological capabilities and the ready availability with it of the wherewithal to manufacture nuclear bombs, is driven by them by the same stick as Pakistan on the nuclear issue. Since Pakistan has the bomb, India the capability, China a well-built arsenal related to its requirements of defence as an emerging super power, it stands to reason that the nuclear question, like the question of conventional disarmament, is discussed by the concerned powers, including India and Pakistan from South Asia, in the global, not regional context. That would be more easily possible if SAARC gets going, and helps develop an atmosphere of regional cooperation that would enable its members to discuss the nuclear question and other security-related issues in the Asian and the global context, rather than in the context of Indo-Pak rivalry. Otherwise, they would remain bogged down in an arms race to the detriment of regional welfare.

From time to time, India and Pakistan have been subjected to great pressure to sign the NPT. Recently similar pressure was exercised on them to sign the CTBT. As it is, NPT is riddled with countless problems, and is far from being a perfect instrument for nuclear non-proliferation. However, the major nuclear weapon powers appear convinced that it answers global security needs, notwithstanding its glaring inadequacies. That view is not correct. Article 1 of the Treaty prohibits the transfer of nuclear explosive devices, but such transfers have taken place under the carpet, if not openly, in the face of NPT. It forbids nuclear weapon states from assisting non-nuclear weapon states from manufacturing or otherwise acquiring nuclear weapons or devices (Art.II). How come then that Pakistan, South Africa and Israel came to have them? No nuclear weapon power that is signatory to the Treaty is expected to supply fissionable material or equipment to any non-nuclear weapon state. How did Pakistan get it from them? The disintegration of the Soviet Union and the availability of such material from some non-Russian constituents of the former Soviet Union (Ukraine) and its frequent smuggling by unscrupulous elements, private and official, makes a non-sense of the provision. Russia is too weak at the moment to exercise control and prevent smuggling of fissile material from the region. The U.S. has now reportedly transferred the material from Kazakisthan but what about its availability with Ukraine and Russia itself. One of the primary objectives of NPT is not to allow a non-nuclear weapon state to become one. The monopolistic objective is to check proliferation elsewhere, but a nuclear weapon state can store its nuclear arsenal, as much of it as it wants, in a non-nuclear weapon state subject to the agreement of the latter. North Korea openly charged USA of keeping such arsenal in South Korea when it was being pressured to open its nuclear facilities to IAEA inspection. NPT has no jurisdiction, obviously, over the non-signatories. The latter cannot be charged of its breach if they supply nuclear equipment, material or know-how among themselves. Moreover, NPT's jurisdiction can extend only to official/public enterprises of a state. There are no restrictions on transfer of non-weapon grade fissile material for peaceful purposes. It is the latter which is converted into weapons grades material through reprocessing. Such activity on the part of non-NPT countries is not subject to verification, since it falls within a state's sovereign jurisdiction. NPT, therefore, signally fails to achieve its singular objective of nuclear non-proliferation. Besides, the nuclear weapon states party to the Treaty are not obliged to restrict their nuclear activity, either in qualitative or quantitative terms. Both the horizontal and vertical proliferation in those states goes on as a 'necessary evil', and preparation for "star wars" was treated as a legitimate instrument of defence on the part of a nuclear weapon power when viewed through the prism of NPT. None of the nuclear weapon powers have shunned military doctrines on the use of nuclear weapons. Except for China, they have not committed themselves to even the no-first use of their nuclear arsenals.

There are other glaring disabilities of the NPT. Parties to the Treaty cannot supply nuclear material to non-NPT countries, but are free to supply equipment or a whole nuclear plant to them without informing IAEA. Countries like Japan that have signed the NPT do admit the discriminatory character of the Treaty. Countries like China, that have started subscribing to it, also admit that the NPT has failed in its objective of checking proliferation. Even though China has come into the NPT only recently, its nuclear arsenal is not affected, nor its freedom to evolve more sophisticated nuclear weapons and build a larger nuclear arsenal with greater teeth. Since India carried out its PNE after 1 January 1967, NPT's cut-off date for qualifying a country to enjoy the NPT privileges as a nuclear weapon state, it would not have the freedom available to China. The latter had its first nuclear explosion in 1964, well ahead of the NPT cut-off date. It is hard to believe that such an inadequate, incompetent and obviously discriminatory instrument of arms control can guarantee nuclear non-proliferation.

A country cannot import complete nuclear fuel cycle technology from a nuclear weapon state that is party to NPT without subjecting itself to IAEA safeguards, but it can replicate that technology and its own nuclear fuel cycle would not be subject to any such safeguards under the NPT. Moreover, what is 'the significant quantity' of nuclear weapon grade fuel? 8 Kg. of plutonium and 25 kg. of enriched uranium has been the measure, so far, for producing an explosive device. With new technologies this figure has gone down considerably. It is these loopholes in the NPT which provide the conduit for proliferation. Moreover, states party to the Treaty have not always been faithful to its provisions. For example, countries under the Treaty obligation not to assist non-NPT countries in acquiring nuclear weapons are the ones responsible for having supplied enrichment technology to Pakistan, the supply of 5000 magnet rings by China to Pakistan being the latest instance of this order.

Between 1982 and 1989, Portugal supplied 1380 metric tons of nuclear material to France—one non-nuclear weapon country to a nuclear-weapon NPT country. There was no breach of either the Treaty or international law in any respect. NPT has also not helped the cause of disarmament, including nuclear disarmament. SALT I and II and START I and II and the disarmament initiatives of President Reagan and Bush and of Gorbachev and Yeltsin, have been mostly outside the NPT.

Given NPT's failure and deficiencies, countries like India and Pakistan should look for a solution of the problems stemming from their nuclear status outside the NPT. Since a nuclear war cannot be fought and won, they must, before long, evolve bilateral understandings on this very vital matter. The Agreement not to attack each other's nuclear installations was a good beginning. Not to be the first to use their nuclear weapons capabilities against the other would be the next logical step.

For the proliferation of nuclear weapon technologies and material, China has been as responsible as the Western world. It was China which provided the design of a nuclear warhead to Pakistan in the eighties. It suited China to keep Pakistan well equipped in conventional and non-conventional weaponry, given Pakistan's hostility to India, its capacity to checkmate India and its frontline role in reversing the Soviet occupation of Afghanistan. During the decades of the sixties, seventies and eighties, China's military doctrine was based on the perception that India to the south and the Soviet Union to the north and the west were a perpetual source of threat to its territorial integrity, since it had unresolved border problems with both of them and had fought wars with them in the sixties on that account. Pakistan was seen by China as a willing tool to weaken both these rivals.

In the new global environment, there would be the reduced need of Pakistan to the West. In some circles in USA there is a noticeable change already in the perception of Pakistan as a military ally of lasting value. In the case of China, however, there are no symptoms yet of a change in its strategic view of Pakistan. Even though China's relations with India are improving, China avers that it is not at the cost of its close relations (including military-strategic relations) with Pakistan.

There are reports that Pak missiles, including those capable of carrying nuclear warheads, are already in a state of deployment against India. India has responded by declaring that "if the safety and security of the nation require deployment of conventional and non-conventional weapons on the border, the Government would not hesitate to do so". This clarification was given by Shri Salman Khursheed, India's the-then Minister of State for External Affairs, in the Lok Sabha on 26 August 1994 following disclosures by Mr. Nawaz Sharif about Pakistan possessing the bomb. Mr. Sharif made no bones about the fact that it was for use against India, and would actually be so used if the need arose.

With these developments, the security environment in the Indian subcontinent touched the nadir. To pressure India and Pakistan to come into the NPT CTBT fold, the western countries and particularly the USA, have been exaggerating the possibility of India and Pakistan running into a nuclear war on the question of Kashmir. Pakistan has encouraged that line of thought and repeatedly talked of its nuclear capabilities in order to blackmail India to make concessions on Kashmir. In her address to the nation on 14 August 1994, Benazir Bhutto, the then Prime Minister of Pakistan described the partition of India as unfinished business until India ceded Kashmir to Pakistan. The very next day, from the ramparts of the Red Fort in Delhi the then Prime Minister of India, Shri Narasimha Rao, in his Independence Day address, told the nation that the only unfinished business in regard to Kashmir was vacation of aggression by Pakistan from the part of the state under its illegal occupation. The statement could not be more unambiguous and emphatic.

This security environment, bad as it is, was rendered worse by the fact that while India and Pakistan, two great South Asian neighbours, were talking at each other, they were not talking to each other. India insisted on bilateral talks and had invited Pakistan to resume the Foreign Secretary level talks. While saying that it wanted to do that, Pakistan had dithered and had been subsumed by its wish to internationalise the Kashmir issue. Its inability to have a resolution against India passed at the UN led Mrs. Bhutto to approach USA, UK, and France to intervene in the matter. While UK and France remained in the background, USA openly stated that it was willingly to play a role in resolving the issue if both India and Pakistan approached it. Pakistan's reliance on external elements for settling the differences on the Kashmir question with India is anathema to the latter. Both these countries have to develop collaborative regional approaches for effecting common gains in the common battle of the region against the monsters of poverty, illiteracy and disease, an objective for which SAARC was born. They must learn to resolve their differences bilaterally and build confidence in each other.

What is required is an act of statesmanship. Both countries, and particularly its leaders, have to reflect that conflictual attitudes have caused untold damage to them for half a century. The devastation brought about by wars fought by them, the enormous but avoidable waste of national resources in building their lethal capabilities against each other and in terms of the incalculable opportunity costs, so manifest in retarded development, are all too obvious. In other words, they should conclude that while the differences that divide them will take their own time to resolve, they must not be allowed to stand like a wall between the two countries for achieving developmental goals and that they owe to their people much better than a continuing legacy of hatred and turmoil. It is time for a major peace offensive on their part. It should be within their power to move away from conflict into areas where cooperation is absolutely necessary and feasible.

The Nuclear Balance in the Region

The deployment of missiles, including those having the capability to carry nuclear warheads means that, in the event of hostilities breaking out again between India and Pakistan, the entire population of the subcontinent will be at risk, apart from the fall-out engulfing territories outside the region. Assuming that the nuclear weapons are meant to be only a deterrent, the nuclear balance will keep South Asia free of war. However, the abominable balance of terror will stay. The regional military balance will, therefore, have to be measured in 'conventional' terms. The lessons of the Gulf war, indicate that, in the event of a conventional war breaking out, the theatre of operations would be much larger than just northern and western India and some parts of Pakistan. According to the new strategies in vogue, both sides must launch "strategic air raids" deep in the enemies rear in the very initial stages of a war. The distinction between the front and the rear evaporates in modern three dimensional wars. To protect the subcontinent from such a prospect is first of all the responsibility of the nations within the subcontinent and it is necessary to develop cooperation strategies to avoid it. SAARC can play a crucial role in this, if one can make that body move in the direction of common security.

Under the prevailing circumstances, both India and Pakistan would do well to underplay their nuclear card. India's nuclear capabilities are known since 1974, and have received a further edge with the development of its missile technologies. There has been nothing secret about this all. Pakistan committed itself to acquiring nuclear weapon capabilities as early as in 1972, in the aftermath of the 1971 war in the subcontinent, and acquired it successfully in the next decade. Pakistan has the atom bomb by its own admission, while India has not been very far away from having it. Pakistan quotes India's capabilities as the rationale for having had to develop its own, India cites China's. The development of nuclear technologies in the subcontinent should not be cause for a nuclear holocaust. Both India and Pakistan should be trusted with that much of sensibility and responsibility, as was the case between the USA and the Soviet Union, even at the peak of the cold war. The nuclear development, should become a spur to their reaching quick understandings in regard to nuclear restraint. They should move towards an undertaking to refrain from using their nuclear technologies to hit each other's scientific, economic and industrial installations and civilian population, as well as from the threat of using them. There is already an international convention on the non-use of chemical weapons of mass destruction, to which both India and Pakistan subscribe. Understandings incorporated in the convention could be extended to the nuclear field. Since Pakistan already possesses an atom bomb, and there is no chance of its dismantling it in the present climate, the South Asian region cannot be a nuclear weapon free zone. The proposal is impractical, since China is close at hand with its nuclear arsenals in tact and other major powers retain their nuclear presence in the Indian Ocean. However, there is already a no-war pact between India and Pakistan in the form of the Simla Agreement which binds both the countries to resolve their differences peacefully. Both countries would do well to reaffirm their faith jointly in that Agreement and begin implementing it sincerely once again in the same spirit in which they had signed it and adhered to it for at least a decade and a half after it was signed.

The subcontinent is also a victim of the proliferation of 'small arms' in large quantities. Ethnic and religious chasms in our own societies are being exploited by outside elements for narrow political ends leading to a seemingly endless cycle of violence. The Muslim minority of India as also several of its tribal groups; the Mujahids, Shias and Ahmediyas in Pakistan; the Buddhists and Hindus in Bangladesh; the Nepalese in Bhutan; the people of the Terai in Nepal and Tamils in Sri Lanka, all are susceptible to foreign influence and are often commandeered by regional states for their narrow ends to the detriment of regional harmony and cooperation. Lip service is paid to the SAARC Convention against terrorism which had originally come up as a symbol of hope in a region riddled by a long history of ethnic conflicts. Proliferation of small arms and minor weapons adds fuel to fire and sparks off conflicts in areas where the threshold of violence is low. As one sees in Kashmir, the dynamics of conflict have been effectively converted into the dynamics of a low intensity but protected proxy war so that death and destruction flow perennially like the run of a river. Over a period of time thousands of lives are lost in the process, under the lethal combination of terrorism, drug trafficking and guerilla fighting. In the hand of a terrorist, a guerilla fighter or a drug smuggler, the Kalashinkov AK-47 or the Chinese AK-56, or the American M-16 or the German Heckler and Koch MP 5k, which can fire 500 to 1500 rounds per minute, make an instant assault on the stability of the place and in creating mayhem and anarchy. Thanks to the leap frogging of technology, a general purpose machine gun has now been evolved, which can fire 6000 rounds per minute or a hundred per second! Small arms are no longer small arms as far as their capacity to kill goes.

Among the shoulder-fired SAM's, the American heatseeking missile downed some 300 Soviet aircraft at a kill rate of nearly 80 per cent in Afghanistan. In reply to the stringers, the Soviet Union supplied 500 Scud B missiles to combat the Mujahideens in Afghanistan not to speak of billions of dollars worth of small arms pumped by both sides. The bulk of these arms are still around and from Afghanistan they flow into the South Asian subcontinent through Pakistan and other routes in a running stream. The same applies to drugs. Vehicles supplied to carry arms to Mujahideen in Afghanistan were also used as drug carriers. Thus, Karachi alone came to have one million drug users. Militants, arms and drugs all flow from Pakistan into Kashmir, Punjab and other states of India. The number of arms, ammunition and drug dealers in Pakistan from Peshawar to Pindi and Karachi is legion. These infiltrate as far as Sri Lanka in the south, Cox Bazaar and Chittagong in the east, and to Singapore in Southeast Asia and Bosnia in Europe. The need to reverse this process in the subcontinent cannot be over-emphasized, and SAARC should establish a mechanism to monitor this as a follow-up of its anti-terrorist convention.

Negative and Positive Security

The SAARC agenda should embrace both negative and positive peace and security. Negative peace would involve absence of physical violence that destroys the society individually, and, sometimes, collectively—peace that is linked to life preservation. Encouragement to ethnic violence and to agents of mayhem and chaos runs counter to this kind of peace, since it directly threatens bodily safety. SAARC agenda for positive peace should include a commitment by all member states to the principles of non-violence, economic justice, social equality, political liberty, individual freedom and a way of life that cultivates the spirit of human fraternity across social, economic and national frontiers. This is not just a matter of having the necessary provision for these principles in the SAARC charter, or in their respective constitutions, but of their actually forming and informing everyday life of citizens.

From this stand-point, security is not just the absence of border conflicts or full-scale wars between neighbours; it is the absence of physical and structural violence on the one hand, and in a more positive sense, the presence of harmony and cooperation that contribute to human well-being. The former would be bankrupt without the latter. The collapse of the Soviet Union illutrates the point to the hilt. Security built on the foundations of military strength without social and economic underpinnings is like a house of cards. The mindset that SAARC promotes has to take care of this truth—the need to develop an attitude in which the people of the region would not be content with sheer military balance, howsoever important that be, but would seek the necessary infrastructure for growth and prosperity to lead them out of their long night of deprivation, and disease and death. What is needed is as much the security of frontiers, as altogether new frontiers of security in terms of achieving social and economic goals.

Within this definition of security, attempts on the part of one state in the region to inject terrorism in another state would be deemed as criminal and eventually self-destructive. Notwithstanding the distinct political personalities of the member states of SAARC, their social upheavals or turmoils spill over from the frontiers of one state into the other, given the community of their historical past and the diverse fabric of their societies. Due to these factors, efforts to convert our national identities into islands thriving in the luxury of isolation have only added to the pain and suffering of our masses and retarded the day of their social and economic redemption. In this age of fast communications and economic globalisation, SAARC has to move the constituent nations into a new dawn of fresh horizons in the socio-economic fields. With 3.31 per cent of the world's area, SAARC countries have the responsibility to sustain 20 per cent of the entire humanity. With such heavy pressure on land, the region can ill-afford to fritter away its resources in military rivalries and conflicts. It can do so only by putting the security of its people at grave peril, i.e., security in its widest connotation.

One of the major most components of this concept of security is an unfailing commitment to peaceful and non-violent resolution of conflictual situations, tensions, dissensions and differences. One cannot reduce, much less eliminate, violence by violence. Several wars or war-like situations, witnessed in the region since independence from colonial rule and the experience of nations in various other regions of the world since World War II, serve to indicate that a durable structure of peace and understanding rests not so much on the superiority of weapons or sophistication of military strategy, whose gains are at best transitional and temporary, but on the upbringing of the entire mass of people of a region on the concepts of mutual goodwill, mutual accommodation, mutual benefits and mutual scaling of economic heights. Therein lies the message of more successful patterns of economic security that have emerged in the wake of the Second World War, such as the European Union and the ASEAN, NAFTA and APEC and the American market being talked about as the latest free trade zone of several trillion dollars worth of transactions in trade and services covering the entire North American, Latin American and the Caribbean region, to emerge by the year 2015.

In military terms, the needs of each country of a region depend on the enormity of the borders, on the state of its political relations with other countries in the region, on the interplay of major powers within the region and outside, and on the demands their internal situation would make on the military or para-military forces for maintaining law and order. They will also depend on the political set-up each country in the region has. These variables rule out a state of military parity among the countries of South Asia. Such parity is neither possible nor desirable. Any regime for arms control in the region or for mutually balanced force reductions will run into serious hazards. There can be no comparison between Pakistan's defence needs before the Soviet occupation of Afghanistan and after, before the emergence of Bangladesh as an independent nation and after, between the period that Pakistan's governments subscribed to the provisions of the Simla Agreement and when they decided to side track them; or of India when it faced a war with China or Pakistan or both and otherwise, or when national insurgencies are rampant or under control or when the super powers exacerbate tensions in the region or when the cold war ends and they adjust their sights. It is also hard to establish exact equations between weapons manufactured in one country and those manufactured in another. Leap frogging of technologies from one generation to another also complicates the arms control exercise. What is of paramount importance, therefore, is to enhance trust, establish and reinforce confidence-building measures, have frequent dialogues on military issues at the civilian and military levels alike, and utilize, simultaneously, a regional framework to promote a spirit of harmony and cooperation as much in official circles as at the popular plane. SAARC can be used effectively both to promote positive and negative peace and thus improve the security environment of the region immeasurably. As a first step it can encourage the establishment of a forum to discuss security issues, informally and non-officially to be followed later with an official Security Forum for South Asia at an intra-regional institutional level as ASEAN has done.

It is wrong to assume that the South Asian region cannot acquire cohesiveness because it does not face a common threat. There is, of course, no common external threat to the region right at the moment. China could be one, but presently it is mending its fences with India, converting the Indo-Tibet border once again into one of peace and tranquillity while both countries try to resolve their border dispute amicably through a dialogue. However, the loss of Tibet as a buffer should eventually worry Pakistan as much as India, Nepal, Bhutan, Bangladesh, and Burma just as the Soviet-entry into Afghanistan had caused concern throughout South Asia. Moreover, the pressure of China, the third most powerful military nation in the world, and its presence to the north of the subcontinent would have security implications for the subcontinent well into the 21st century. Sooner or later, the SAARC countries will have to ponder over these issues in their regional context.

For the moment, the common threat to the region lies, indeed, in its potential disintegration under the impact of adverse socio-economic factors, particularly given the propensity of South Asian states to work against the internal security and stability of each other. It is against this danger that SAARC may mould their psychologies. None of our countries have completed the process of nation-building. Their national cohesion and integration is still an evolving phenomenon. Pakistan is, at best, a conglomeration of four disparate ethnic states and its link language, Urdu, is not of indigenous origin. India consists of 25 states and Union territories, many of which have faced disruptive developments from time to time, casting a shadow on the nation-building process. The same applies to other national entities in the region, viz. Nepal, Bhutan, Bangladesh and Sri Lanka. Maldives does not face the ethnic problem as acutely, but it has been wary of disruptive forces emanating from Sri Lanka. The ethnic extremists are not operative all the time in our respective countries and not all at once. They can be handled quite effectively in a cooperative framework for the region. SAARC has the potential of binding our societies in a variety of common purposes, and reinforce the civilizational bond which has withstood the test of time and held its peoples together, notwithstanding their independent political existence.

The agent to promote internal cohesion among SAARC countries would not be external, as might have been the case in respect of ASEAN, for example. SAARC was born not because the region perceived a common threat from any major external force, be it the Soviet Union, China or USA, although individual countries of the region did find their security threatened by one or the other of them at times. That is, the region, as a whole, did not have a common external enemy to move it in the direction of unity on account of security. Pakistan once belonged to the Western security system, at a tangent from the non-aligned policy which other countries of the region followed but later joined the non aligned movement. Thus, all the seven countries of South Asia subscribe to the theory that the region ought to be free from external military bases, and should not get sucked into major power rivalries. This commitment has varied in degrees from time to time, either because of factors emanating from within the region itself or due to the injection by external powers of their own interests into the region. Pakistan had entered western military alliances because of its fear of India and sense of hostility for it. The western powers encouraged Pakistan to be their ally because that fitted into their global scheme of security aimed at the containment of the Soviet power. Likewise, the erstwhile Soviet Union came closer to India because it saw in the latter a counterpoise, first, against the West, with its championship of non-alignment and, later, against China in Asia. India on its part found its security reinforced due to its close relations with the erstwhile Soviet Union against threats from both its north and its west and as a counter-veiling force against the mounting American presence in the Indian Ocean in the wake of the withdrawal of the British imperial presence from the east of the Suez. However, despite different orientations or emphases in their external relations and postures, the countries of South Asia did not have a common enemy or a perception of threat coming from a common external source, and they often went different ways in forging their external relations despite the non-aligned link.

During its phase of hostile relations with India in the decades of the sixties and seventies and as part of its long-term strategies in the region, China forged, or attempted to forge, military links with Pakistan, Nepal, Bangladesh, Burma and Sri Lanka, which had the effect of driving South Asian nations apart rather than come together. It encouraged them to look beyond the region to ensure their security. Between 1980 and 1985 the impulse to forge an Association of South Asian countries for regional cooperation came from within, first, because of the pull of history since regional organizations in other parts of the world were getting into vogue, and then because regionally the feeling was growing that though father to a millennial civilization, South Asia had remained the backwaters of the globe in social and economic terms in the fast moving post war world.

Conclusion

As we move into the late nineties in our march towards the next century, several new factors have emerged that might help the South Asian region commit itself more critically to the goal of building regional security through a strategy of regional cohesion and regional development.

First, South Asia is no longer surrounded by the turbulence of the previous decades on the international scene. The cold war is over, the Soviet Union has collapsed and the only super power left on the world stage from before is taking a somewhat more balanced view of developments in our region.

Secondly, China, the emerging super power, is mending its fences with India and while keeping up its military ties with Pakistan, welcomes ethnic harmonization of South Asia since the growth of religious militancy so close to its borders might bode ill in its own battle for national integration and national cohesion.

Thirdly, as the Soviet Union has collapsed, so has the Sino-Soviet rift. China has taken prompt steps towards normalising its relationship with Russia and move it from the depths of conflict into the direction of wide-ranging cooperation, including in the military domain.

Fourthly, there is evidence of the two Asian giants, India and China, wanting to put behind them the chapter of active hostility and acute bitterness engendered by the border war between them three decades ago. China's military relationship with Pakistan notwithstanding, it does not seem interested in exacerbating conflict in South Asia in the immediate run.

Fifthly, recent events have proved that what strengthens national or regional security is not so much military power or military balance among contending forces as a policy of consensus on security issues including economic growth in a tension free environment in a region.

To some extent, SAARC was the product of this understanding, and it can play a vitally important role in the evolution of the needed consensus on security issues in the form of strict adherence to the principle of non-interference in each other's internal affairs, a common assault on terrorism and drug trafficking, promotion of ethnic harmony among the peoples of the region, and working in tandem to provide the region a salubrious environment for economic growth. SAARC, thus, can enlarge the area of agreement amongst its member states, de-emphasise their differences and promote regional cooperation, taking a leaf from the books of other regional groupings such as EEC, NAFTA and, nearer home, ASEAN and the APEC. In developing this approach, SAARC would be moving with the times in order to prove its worth and achieve its potential as a weapon of regional cohesion, growth and development. The Agreement between India and Nepal on the Mahakali Project and between India and Bangladesh on the Farakka Barrage during 1996 speak volumes about the new climate of relations in the subcontinent. In November, 1995 Mr. Nawaz Sharif told this author in Lahore in an hour long meeting on SAARC that if he come to power again, he would actively promote regional goals of free trade and economic growth through SAARC irrespective of political differences in the region. Now that he is in power with an unprecedented mandate for peace and development, it is hoped that he would open up new frontiers for the operation of SAARC by translating his promised support for it into reality. It is positive response to India's suggestion of recommencing Foreign Secretary level talks, the positive atmosphere in which they were held in March 1997 and the bilateral meeting of the Foreign Ministers of India and Pakistan, Mr I.K. Gujral and Gohar Ayub Khan, during the Non-aligned Foreign Ministers Conferecne in Delhi in April, 1997, appear to be right steps in that direction.

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SAARC AND THE INFORMATICS REVOLUTION

Recently in Brussels, the G-7 partners pledged to work together for a technological revolution despite trans-Atlantic differences over limits on the information super highway. They planned to integrate the globe into a new electronically linked information society, where developing countries would also be given a chance to participate.

All seven nations, the United States, Britain, Canada, France, Germany, Italy and Japan approved a package of 11 pilot projects for international co-operation in information technologies. They included,

1) Training and education, focussing on language teaching.
2) Global network of electronic libraries.
3) Expanding electronic museums and galleries and increasing availability for schools and the public.
4) Developing world databases on environment & resource protection.
5) Global networks to share information on the risks of natural disasters and emerging management.
6) Health care applications of new technology including long distance telemedicine.
7) On-line exchanges between governments.
8) Making information more readily available to small businesses.
9) Maritime information exchange system to improve safety and environmental protection.
10) An inventory of national and international projects and studies on the information society.
11) Global interoperability to links between the various high speed networks.

It is evident that the world today has moved into a highly sophisticated electronic age where messages and information travel across the globe in fractions of electronic minutes. The intercontinental communication network has made the world rather small. Various channels of communication like the transistor, radio, television, cable television networks and the new technique of high speed composition and satellite networking has given a substantially new dimension to information revolution.

There is a pressing need for better communication and information systems to operate among the developing countries such as those that constitute the SAARC region. In this highly information conscious world, richness in information adds to the riches of a nation. The entire communication mechanism—personal, national and international is geared to enhance exchange of news, views and ideas in order to generate more wealth and prosperity. Countries of South Asia cannot remain untouched by this massive communication wave. In order to understand its implications fully it is necessary to throw some light on the fundamental features of information technology and micro-electronics.

By information technologies is understood those technologies that are relevant to human communication processes and in the handling of whatever is conveyed in these processes by way of information. Information technology and micro-electronics in a way are overlapping terms. Information technology englobes such different things as bookprint, reprography, telephone network, broadcasting and the computer. One particular case where micro-electronics is interwoven with information technology is computing and automated data processing. Another important microelectronics field is that of interactive media like telephone or computer communication.

These areas of information technology are assuming a growing significance for SAARC countries. It is now well known that information and communication constitute the core of an advanced society in more than one sense. For the preservation and enforcement of economic and political independence, countries can ill afford neglecting information. Information is needed essentially also for the development of the natural resource base. The majority of the underprivileged world of South Asia is primarily agriculturally oriented. Consequently an easy and effective flow of information is necessary between rural areas and expanding urban sections. Such information facilitates interaction among the different segments of economy. There is a pressing need in rural areas for information and countries must give more and more of it to the farmer if development is to take place. Moreover, the improved use of information technology helps the process of economic development by improving response time, performance and cost-benefit ratios. Telecommunication infrastructure is also necessary to achieve national integration.

Automation of control is an important characteristic of information technology which has stood out prominently with the advent of the computer. Most of the existing computer applications are seen to be connected to social information and communication processes of paramount importance. The societal implications of information technology have got considerably enhanced with the advent of computer and data communication networks. With this development new forms of communication are infiltrating every day life of the large masses of people. Information utilities have brought in their wake a wide variety of information access opportunities. These opportunities should not go waste on SAARC countries.

It is believed that if information utilities are incorporated into political life whereby every home could be equipped with a communication terminal connected to a nationwide network, there would be fresh opportunities for communication flows between citizens and decision-makers. That would enhance the ability of individuals and social sub-groups including village communities to express their opinion more effectively. SAARC countries need that badly.

Information technology could also contribute towards stabilization by making political and administrative structures more accountable and predictable. In our countries in South Asia it can act as a projection screen for social and political concerns and diminish the chances of violent protest.

Thus the development role of communications and informatics is considerable in the societies in transition like ours in South Asia. Modern information technology has been seen as having the capability to reduce conflict, poverty and disintegration. In the SAARC region, its proper utilization can stimulate economic growth and help to alleviate such problems as population explosion, illiteracy, and geographical, social and psychological alienation. Needless to say, in the countries of Asia, Africa and Latin America the economic and political revolutions have run into a third kind of revolutionary process—the revolution of information, all at once. With the increasing levels of literacy and national consciousness, the process of communication revolution has received an added impetus which in turn can give a fillip to regional co-operation.

We live in an era of a multi-media system of communication which has cut across national, regional and continental barriers and evolved new techniques of education. In fact it has created a whole new "mass culture" with new images and new needs. Though the technology of mass communication provides a whole new vista for social, economic and political development, its potential for national development would remain underutilized till a two way system of mass communication process is satisfactorily established between the state and the society.

Rudiments of the Communication Process

The word communication is derived from the Latin word 'communes', meaning common. It can be defined as the transmission of information, ideas, emotions, skills etc. by use of symbols—words, pictures, figures, graphs etc. in an act or process of transmission of any or all of these. Aristotle defined communication as being composed of three elements, the speaker, the speech and the listeners and perceived its aim to be the search for all possible means of persuasion.

Hence, communication is a conscious attempt to share information, ideas, attitudes and the like with others. As a matter of fact we live in a sea of communications. As the Vedas said, "Sabdam vai Brahma." Sound is all-pervading Brahman. Communication is complete only when the source knows that the end recipient has got the message and has got it right. When the process of interpersonal communications is enlarged and projected on a larger scale and is aimed at a larger audience of a "mass of people," it is referred to as "mass communication."

It follows from the above, that the fundamental function of the media systems in the SAARC region would be :

(a) to recognize the needs as well as the demands of the socio-cultural environment of the masses,
(b) to create programmes catering to the needs and demands of the people,
(c) to work in close co-operation with the opinion leaders and institutions that shape the future and
(d) to maintain a high level of awareness, autonomy and responsibility so as to safeguard the credibility of the region as a growing entity in tune with the tempo of modern times.

The development of any region is indeed the development of its people. Effective communication links are essential to achieve it. Regional broadcasting networks provide the necessary linkages for projecting these developmental strategies. It is essential that the developmental projections should be entertaining as well as informative. The entertainment programme puts forward role models which indicate new ways of life and fulfill an informative role. At this point there is also a need to define regional communication policies for better relations among nations in South Asia at all levels—political, social, economic and environmental. The communication policies must be formulated in terms of information flows between the individual and the totality of his environment-physical as well as social, national, regional and international. Therefore, it is necessary to put developmental communication in a proper regional perspective. The unstructured information patterns in the region need to be tailored in order to serve the developmental cause.

The IBI (Intergovernmental Bureau of Informatics) has outlined seven principles that form its recommendations for an informatics policy. These can be considered by the SAARC countries as a collectivity. They are :

(a) Use of informatics to form strategies and policies for development.
(b) Special informatics authorities and agencies to co-ordinate effects.
(c) More education and training programmes to produce a labour force capable of utilizing the latest technology.
(d) Information production capability.
(e) Development of policies for the appropriate use of computer and telecommunication systems & processes.
(f) Recognition of the need to preserve cultural tradition rather than hammer it out of existence and supplant it with altogether alien ones. That means adoption of control technologies for the benefit of the society without violating the spirit of freedom and
(g) regional and international co-operation and interaction.

Regional Consciousness and Mass Media

In order to facilitate mutual co-operation, trust and understanding, free flow of information and exchange of knowledge within the region is absolutely essential. In the words of Ashok Mitra, "SAARC stands as a symbol of regional co-operation; but such regional co-operation will remain beyond the reach unless the urge comes from within the people and not from the governments. Governments are abstract entities; it is only the people who matter."[1] In the SAARC region, the people must first be helped to know one another before they can commence a search for a mutually aided destiny of harmony, growth and development. It was also recognized by the leaders of the SAARC countries that in order to strengthen mutual co-operation 'people to people contacts were essential.' People within the region should be able to interact with each other directly, heart to heart. It was acknowledged that Information technology fulfils that role splendidly.

SAARC Audio-Video Exchange Programme (SAVE)

The Bangalore SAARC Summit held in 1987 laid great emphasis on the 'common cultural heritage' of the South Asian countries. It was noted that the common historical experiences and linkages among the countries of SAARC would facilitate interaction of ideas, values, cultures and philosophies. The Bangalore Summit for the first time decided to establish the *SAARC Audio-Visual Exchange Programme (SAVE)* to promote a South Asian consciousness in the region. The main aim of the programme was to emphasize social, economic and developmental themes.

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[1] Ashok Mitra in SAARC Perspective, October, 1990 in H.M. Gunasekara's book Media as Bridge Maker, published by Fredrich Ebert Stiftung, Colombo, 1993.

The SAVE programme, which has been operational since 1987, basically aimed at promoting mutual understanding in the region and thereby facilitating the achievement of SAARC objectives which are as follows :

(1) To promote the welfare of the people of South Asia and to improve their quality of life.
(2) To accelerate economic growth, social progress and cultural development in the region and to provide all individuals the opportunity to live in dignity and realize their full potential.
(3) To promote and strengthen collective self reliance among the countries of South Asia.
(4) To constitute mutual trust, understanding and appreciation of one another's problems.
(5) To promote active collaboration and mutual assistance in the economic, social, cultural, technical and scientific fields.
(6) To strengthen co-operation among other developing countries.
(7) To strengthen co-operation among themselves in international forums on matters of common interest and
(8) To co-operate with international and regional organizations with similar aims and purposes.

The above mentioned objectives of the SAARC comprise the basis for the functioning of the SAVE programmes. These programmes were regarded as a good opportunity to present:

> ".... the positive features of our shared cultural ethos and help emphasize the similarities in the perceptions of our people. We have common problems too where we are engaged in a fight to eradicate poverty, provide better health services, better and wider educational opportunities."[2]

Keeping in mind these basic aims and objectives, the SAVE were to broadcast programmes on culture, tourism and development. Time and again it was pointed out that there was a need "to identify a theme for each round of programmes." At the third meeting of the SAVE committee it was noted that the SAVE should promote developmental programmes through its broadcasts and telecasts. The Fourth SAVE committee meeting pointed out that social, economic and technical themes should also be emphasized. They also recommended themes on women, drug trafficking and girl child education. At the eighth meeting of the SAVE committee it was felt that programme serials should be made on subjects like women's problems etc.

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[2] From the report of the second SAARC Audio Visual Exchange Committee as mentioned in Regina Mulay Parekh's unpublished monograph on "SAVE : Retrospect and Prospects" presented at the International Seminar on SAARC 2000 and Beyond, on 22–24 March 1995, New Delhi, p. 12.

SAVE policies have to be both short term and long term. Since both programming and rostering, and actual programmes need to be put into a framework, we would first discuss short term policy and then long term policy.[3]

Short Term Policy

The short term policy planning would entail an identification of themes and subjects for telecast, and the modalities of selecting them.

Thematic Programme Projections

Since the first ever telecast of the SAVE programme it has been time and again reiterated, that the programmes should be thematic and not random selections. Here a couple of problems identified are :

a. Lack of detailed thematic break-up,
b. Lack of communication among members,
c. Lack of programmes on the themes,
d. Lack of advance planning.

First and foremost, there is a need to clearly define the kinds of themes that could be covered under the programme.

Secondly, an advance planning of programmes and selection of themes ought to be done a year in advance.

Long Term Policy

There are three main aspects of long term planning which need to be addressed—(i) frequency of telecast/ broadcast, (ii) basic guidelines for programme selection; and (iii) inbuilt evaluation system.

(i) Frequency of Telecast/Broadcast

— The SAVE have been telecast once a month on every first of the month, and broadcast on every fifteenth of the month. Since the programmes are well-received and have already overcome growth pains, a thought should be given to increase the telecast frequency from once a month.

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[3] Regina Mulay Parekh monograph, Ibid, p., 17.

- It is proposed that the SAVE programmes should be telecast/broadcast twice a month. In the bimonthly projection a proper thematic background could be built up. As human memory is short, thematic programmes would create a better impact if shown within the gap of fifteen days. The programmes should not be less than 30 minute duration, as it would be possible then to give proper treatment to the subject. Longer duration programmes, however, may not hold the interest of the audience.
- The bi-monthly programme broadcast would mean 24 programmes a year, which means 3 to 4 programmes for each country.
- All the member states are in a position to even produce special programmes for SAVE. 4 radio and 4 television programmes would not place an extra burden on the member states.
- Since themes would already have been identified it would not be difficult to select programmes accordingly.

POLICY PLANNING FOR JOINT PRODUCTIONS

The major problem in joint production is getting consensus of all the members, selection of theme and finalizing the script. The present procedure for joint production is as follows :

(i) The SAVE committee nominates one country as a coordination country.
(ii) The scripts and stock shots are invited from all the countries.
(iii) Approval of all the members is sought on the final script, which is generally done at the SAVE committee meetings.
(iv) Then the final production is started.
(v) After the programme is finalized, it is previewed by the joint committee.

This entire process from stage I of identification of a coordinating country to the final production takes a year to year and a half, thereby losing its very relevance.

The second problem is the availability of experts and technological knowhow, and lack of infrastructure. And last but not the least, the budgetary constraints hamper the movement of the production teams.

In order to overcome problems of coordination and lack of communication it is suggested that :

(a) The SAARC secretariat should act as a coordinating body.
(b) There should be one person, totally incharge of the joint production section, who would have the know-how for programme production and would work as liaison officer between member states.
(c) To overcome the stress on the national production units, a

permanent 'SAARC production team' should be created in which personnel from member countries is drawn. Attached to the secretariat this team would then function at the regional level.

(d) They could then invite scripts and make a consolidated script and get stock material from member states.

(e) The final programme could be scrutinized, along with other programmes, by the SAVE committee.

(f) The creation of a SAARC Audio-Visual center with its own production facilities (primarily editorial facilities and a single camera) would save time and stress on the national production centers. It would further facilitate joint productions.

(ii) Guidelines for Programme Selection

There are glaring disparities in the sphere of programme selection. For example,

(i) Though the member countries are generally aware of the SAARC objectives and recommendations of the standing committee, they do not really take them into account while selecting the programmes.

(ii) All the countries have certain norms of programme selection and censorship which every country should know. There is lack of information in this field.

Therefore, it is essential to circulate among the member states 'censorship laws' and 'code of telecast' of all the SAARC countries. This would facilitate programme selection.

At the national level following points should be taken into consideration while selecting the programme—

(1) The programme should be according to the selected theme,
(2) It should be informative & knowledgeable,
(3) It should sustain interest,
(4) The contents should be objective, and factually correct,
(5) The contents and language should in no way degrade the SAARC spirit and the aims of SAARC,
(6) The SAARC T.V. and radio programmes should be good and tasteful both from the standpoint of aesthetic sensibilities and radio-phonic techniques,
(7) The visuals should in no way hurt the sensitivities of other countries,
(8) Efforts should be made to adhere to the established norms of broadcasting,
(9) Finally the censorship laws of member states should be kept in mind while selecting the programmes.

A careful and critical approach adopted at the time of national selection will reduce the chances of curtailing lines or visuals at the SAVE committee meetings.

SAVE COMMITTEE SELECTION PROCEDURE

The SAVE Committee is the final selection authority. The selection made by this committee should really not be questioned at the national level, and programmes should go on the air without any changes as far as possible. At times during national repreview, objections are raised and programmes are reedited. This leads to thematic disruption as well as delays.

(iii) Inbuilt Evaluation System

For every audio-visual programme there ought to be an inbuilt evaluation mechanism. This would not only facilitate maintenance of quality, but would also help adhere to the given objectives. In order to check both content and quality, a media researcher should be included at the selection stage, who could evaluate the contents of the programme with the help of a questionnaire.

Similarly media researcher should be present at the SAVE selection committee thus ensuring uniformity of content standard.

Evaluation should also include an assessment of audience response and need. That would further enhance the impact of the SAVE programmes.

Thus the SAVE programme, a maiden venture in the regional use of communication technology, can be made more dynamic and pragmatic by incorporating various suggestions made above. The SAARC Recorder (No. 1990) sums up the position thus :

> "The SAVE programme has proved to be a useful medium for promoting South Asian consciousness amongst the people of the region. The co-ordination of socio-economic and technical themes apart from the popular cultural themes have added new dimensions to the programmes. The impact of SAVE programmes can be greatly enhanced if these are produced in regional languages also. Allocation of more time on national TV and Radio networks for the SAVE programmes will further enhance the efficacy of electronic media in a wide dissemination among the masses of issues and contents of regional co-operation."[4]

A SAARC Communication Policy

A few significant points of strength and constraints are clearly discernible which affect the entire communication and information field in South Asia.[5] They however vary from country to country depending on their political, social and cultural situations.

Strength

(a) In contrast to other media, both radio and television have the unique advantage of reaching out to the audiences without depending on the levels of literacy of the recipients. In the South Asian context, this characteristic is very significant in view of the fact that nearly half of the region's population is illiterate.

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[4] Ibid, p. 21.

[5] H.M. Gunasekara in his "Media as a Bridge Maker" published by the Freidrich Ebert Stiftung, Colombo, 1993, p. 43 to 46.

(b) Radio to a larger extent and television to a smaller extent continue to be popular with the masses, thus affording electronic media managers and practitioners a psychological advantage when establishing contact with their audiences.

(c) Rapid advances in electronic media technology have brought about flexibility in all aspects of media usage.

(d) South Asian countries share certain commonalities in spheres of arts and culture and also as economically weak countries striving hard for a better tomorrow. With such "commonness" in past experience, and future aspirations, communication becomes less strained, less inhibited and more plausible. A well planned communication strategy, at the regional level, could use this asset as a positive factor to achieve its objectives.

(e) The support for the role of the media to foster greater unity has been expressed at the highest level among the leaders of SAARC countries. This should be a source of strength and encouragement to all media organisations in the region.

Constraints

(a) Governmental Control

Radio and television organizers in South Asian countries are under government control and abide by the latter's decisions. Suneet Vir Singh in his article on "A Regional Communication Policy for South Asia" has rightly pointed out :

> "Since radio and television are government controlled in each one of the South Asian countries, they serve to amplify government policy on every issue. Bilateral problems and internal events in other countries are presented purely from the perspective of national interest and national policies. Given the state of bilateral relation between various countries in the region, this editorial stance further aggravates feelings of animosity between countries concerned".[6]

(b) Inter-Governmental Relationships

Prejudices and sometimes animosities, that exist among nations of South Asia also have a detrimental effect on communication strategies designed to promote people to people understanding in the region. Rajeshwar Dayal in his study (prepared for UNESCO) "Free Flow of Information In South Asia" stresses that "political differences among countries is one of the major obstacles to information exchange within the region. None of the countries is as yet secure in its national identity, which can be an important factor to promote regional co-operation. There is no dearth of issues to concretise conflicts."[7]

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[6] Suneet Vir Singh in his article, "A Regional Communication Policy for South Asia" in H.M. Gunasekara's book 'Media as a Bridge Maker,' p. 44.

(c) Media practitioners' lack of awareness

Radio and video productions issued to other countries in the region under SAARC Audio Visual Exchange Project sometimes tend to be too insular in content, making them inappropriate for consumption by audiences outside the country of origin. Countries should refrain from sending programmes, under SAVE, produced entirely for a domestic audience. No guidelines are given to electronic media practitioners regarding spotlighting issues on regional co-operation.

(d) Lack of Resources

South Asia is a relatively poor subregion of Asia. Hence its access to equipment training and latest communication technology is limited. Poor maintenance of sensitive and sophisticated equipment also adversely affects the national broadcasting capability and the prospects for regional co-operation.

(e) Lack of national level policies vis a vis electronic media.

The absence of a clear national commitment to develop and use the electronic media for regional co-operation, and the failure of existing systems and institutions to consider the regional aspects when planning and implementing programmes is another shortcoming.

Impact of Modern Communications Technologies on the South Asian Electronic Media Scene

Electronic media involving both broadcasting and narrowcasting are highly dependent on technology for the production and delivery of media messages. The progress, nature, impact and limits of the electronic media continue to be governed by a wide array of technologies that support and sustain them. The SAARC countries have not remained untouched by the advancements in electronics which have made both production and reception of electronic media messages less expensive and more accessible.

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[7] Rajeshwar Dayal's study (prepared for UNESCO) 'Free Flow of Information in South Asia' appeared in H.M. Gunasekhara's book 'Media as a Bridge Maker' p. 45.

The more recent advances in technology related to the electronic media in SAARC countries could be divided into two major categories.

(a) Personalized technologies which are mass produced and marketed generally include radio, television, VCRs, closed circuit (cable) television, satellite dish antennas etc.

(b) Centralized technologies which require major investments, are generally controlled and owned by the state or commercial groups and have to be operated by trained personnel e.g., low cost broadcasting stations, communication satellites and mobile production and transmitting facilities.

Personalized Technologies like radio and T.V. overcome the limitations of distance. The parallel development of satellite broadcasting systems has enabled a more widespread delivery mechanism, completely eliminating the limitations imposed by distance. Revolutions in electronics and mass production techniques have brought about reduction of unit costs even in SAARC countries, so that more people could afford to buy these. The limitations of literacy have been overcome by designing simpler and more friendly receivers and equipments. These trends have had a profound impact in countries of South Asia, which are home to one billion people—most of them living under the poverty line. The battery operated transistor radio has become a source of news, information, entertainment and cultural stimulus to most of the people of South Asia. In Sri Lanka inspite of the lure of television, radio is still regarded as the most pervasive form of mass media.

In more recent times television has also entered the daily life of South Asian people. With the exception of Bhutan, all other members of SAARC have at least one national television channel; in some cases as in Sri Lanka, there is a choice of three channels. The combined audio and visual attributes of television have made it even more influential than radio and it is today a dominant cultural and commercial medium in much of the SAARC region.

Canadian communications theorist Marshal McLuhan believes that the videos potential as a weapon for political opposition and dissent can be quite troubling to governments. In much of South Asia video is being used as an alternative medium by opposition and underground groups. Some of the best pioneering work in video is being done in India. Newstrack, Business Plus, Observer News channel have come out with impressive examples of investigative reporting. Another trend visible in South Asia is the use of video tapes for promoting dissident or separatist causes. The LTTE fighting for a separate state in the north and eastern Sri Lanka has used video tapes as a propaganda weapon. Pakistan uses the same weapon against India in regard to Kashmir. Although free flow of video technology has been used for education, community development, communal harmony and other positive benefits, it has raised a lot of social and moral problems and intra-regional problems in this part of the globe. Media and information sectors in South Asia are often guilty of not utilizing the power of the video for anything more than entertainment and propagandizing.[8]

However, there are a few positive developments. Some NGO's like Self Employed Women's Association (SEWA) in Ahmedabad, India and Worldview International Foundation (WIF) in Sri Lanka are using video as a tool of peace and development. In the Maldives, video footage taken by an amateur cameraman of the massive destruction caused by tidal waves and cyclone in 1987 moved international donors to swiftly arrange for help. The exchange of traditional and contemporary cultural performances as captured on video and circulated through informal channels, could be another powerful force for peace, harmony and better understanding of people within and among nations in the SAARC region. What come out as official exchanges of such programmes are highly sanitized and lame concoctions of regulated culture, a far cry from the vibrant and often interconnected cultural traditions in South Asia. In the end, the positive impacts of personalized video technology could be maximized by promoting the greater use of video for peace, development and regional co-operation. The trail blazing examples provided by the NGO's and independent producers should prove to be educative.[9]

Centralized Technologies

In the past two decades technological advancements have reduced the start-up and maintenance cost of radio and television enabling more persons and organizations to get involved in the process of producing electronic media messages. However, in different Third World countries, including South Asia, most governments have almost addictively opted to control the media messages on the pretext of safeguarding 'public morals' and ensuring 'public good.' Nevertheless electro-magnetic spectrum is an entity which cannot be confined to or trapped within national boundaries. As Arthur C Clarke once remarked: "Radio waves never respected frontiers and from an altitude of 36,000 km., national boundaries become singularly inconspicuous. *The World of the future will be an open world.*"[10]

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[8] Ibid, pg. 52.

[9] Nandana Kamnayake, "Broadcasting in Sri Lanka : Potential & Performance," 1990 quoted in H.M. Genasekara book Media as a Bridge Maker, p. 54.

[10] Ibid, p. 62.

The Impact of Satellite television in South Asia

Among the SAARC countries it is only India which uses satellites for domestic television. Other countries like Pakistan, Nepal and Bangladesh are also planning satellite television networks primarily aimed at their respective national audiences. STAR TV and CNN is serving as a pioneer in challenging the regulatory restrictions that bind Asia (including S. Asia) hand and foot in regard to free flow of information. In Pakistan the Islamic clergymen fear that easy access to satellite TV will spread obscenity. Reluctantly, some governments are coming to the conclusion that satellite television could possibly be exploited for national and official advantage. Still others are exploiting the satelite facilities by carrying CNN and BBC on their state run television channels. In Bangladesh CNN is carried on official TV for six hours a day. However, in several Asian countries, particularly in South Asia, the electronic media institutions have some well trained and creative experts whose talents have been under-utilized. These perceptive artists and technicians are often able to produce attractive local programmes as an alternative to satellite television.

Satellite TV could be used in a more systematic manner for education purposes both at formal and non-formal levels. India was the first country in the world to attempt such broadcast for rural audiences when it carried out the Satellite Television Experiment (SITE) in 1974 using a rented American Satellite for one year.

Other Centralized Technologies

The development of other centralized technologies will also shape the future of electronic media at the South Asian regional level. During the decade of the 1990's the following technological advances might bring revolutionary changes in the electronic media in South Asia:

(1) *High Definition Television (HDTV)* can enhance the visual quality of television and also open out new opportunities for producers and programmes.

(2) *Satellite radio* by ensuring noise and disturbance free shortwave radio reception, will enhance the quality and outreach of such broadcasts.

(3) *Advances in micro computer technology* and related electronics have opened up opportunities for multi-media programmes.

(4) *High Powered Communication Satellites* will be able to emit more powerful transmissions when they become operational in the earth orbit.

(5) The hand held small format video camera (*camorder*), *the video cassette recorder, the portable low power radio station transmitter*, and *the facsimile* (fax) machine will to varying degrees affect the electronic media and communications scene in the region in the coming years.

Dr Joseph V. Charyk, a pioneer in the development of communications satellites rightly says, "The power of the information age which we are now entering might prove more profound than the industrial age which we studied in our history courses...."[11] However, it remains to be seen whether the people and nations of South Asia would take advantage of the information revolution to progress towards greater wisdom, enlightenment and co-operation and use the power of the information age to their advantage collectively.

The impact of satellite television in India in the form of STAR TV, ZEE TV, Asia Television Network (ATN) CNN and BBC TV has been significant. The metro channel by Doordarshan is in response to the challenge posed by transnational television from satellites. The national television, after years of monopolized monotony, is trying to give itself a new look and to project itself as more liberal and more viewer-sensitive in almost every SAARC country. The impact of this new trend on the lives of the people has, however, to be carefully monitored and evaluated. India's advances in this field will affect the quality of broadcast in other South Asian countries too. In the long run these developments will have ramifications on the use of electronic media for greater regional co-operation.

The current function and future development of the mass media in South Asia are critically governed by the existing political, social and economic order which is often based on the interest of a few dominant sections of the community. They use the media for promoting their self interest and above those of the regional community. The media in the region still suffer from the drawbacks such as lack of resources, lack of training facilities and excessive state control and regulation mentioned earlier. As a result some of the countries in South Asia like Nepal, Bhutan and Maldives, are still saddled with obsolete technologies which hinder progress.

The media has a great role to play in the success of SAARC in the years 2000 and beyond. By the year 2000 prospects of South Asia emerging as an united entity will deteriorate further if the media becomes an unwilling weapon in the hands of short sighted political cultural, social and religional elements. If the electronics media is not used for the interests of the mass audience and continues to be misused for narrow vested interests by political, commercial and social factors, then the limited successes of SAARC will be all the more nullified. Countries of the region have to implement an acceptable code of conduct for the operation of electronic media channels, involving both the government and the people of these countries in the debate in this matter.

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[11] Dr. Joseph V. Charyk, in Ibid, p. 72.

On the other hand if the governments of SAARC countries become sensitized on the need for regional media policies, freedom of expression and the positive influences of communication technology, South Asia's landscape of narrow nationalistic attitudes and bilateral disputes will give way to sustained regional co-operation. Part of the vision of SAARC founders like cessation of hostility among nations, dismantling of excessive military structures, greater economic cohesion and the emergence of a clear and acceptable regional identity can evolve more easily in this age of communication given the right attitudes. A high powered body called the *SAARC Citizens Council* could monitor social, political and economic developments in the region using a network of citizen committees which could be spread throughout the region. Thanks to advanced satellite communication, the leaders of SAARC countries could meet in late teleconferences without having to leave their respective capitals.

The region's broadcasting community can come together to form a South Asian organization to promote broadcasting media in the region. Official organs and NGOs alike can use communications technologies in a more participatory way.

SAARCSAT : A Communication Satellite for South Asia

The countries of the South Asian region, with assistance from within the region and without, could work on a regional communications satellite which could be used by the countries on a cost sharing basis for both national and regional broadcasts.

The potential of satellite communications for educational purposes is now widely recognized, even though this potential remains largely underutilized in many parts of the world, including South Asia.

The largest number of rural people in the world, live in South Asia (850.7 million) and they constitute three quarters of the region's population. The vast majority of the 400 million adult illiterates in South Asia are from the rural background. A large number of youths and adults are either illiterate or semi-literate and are uninformed or ill-informed about basic facts concerning health, sanitation, family planning, productivity and environmental conservation. The governments in South Asia have recognized the need to educate the people as an integral and essential step in achieving better socio-economic and cultural development on the one hand and regional co-operation on the other. That has been the consensus of practically every SAARC summit, too. In view of the resource constraints faced by the governments in the region, and in view of the vastness of territory and cultural diversity to be covered, it has become necessary to devise channels whose per capita cost is low and effectiveness is high. DBS (Direct Broadcasting by Satellite) can be one such means. This could be achieved through the launching or leasing of a communication satellite for educational and communication purposes by South Asian countries.

At the moment, South Asian nations receive programmes broadcast through several communications satellites placed above or close to equatorial Indian Ocean. But these programmes are devoted to entertainment or news reporting. However, the development needs of South Asian countries will be better addressed by creative and rational use of DBS for educational and instructional programmes as well.

In this context, the experiences of ISRO and television authorities in conducting the 1974 Satellite Instructional Television Experiment (SITE) could provide useful guidelines. Under this experiment the Indian authorities used a communications satellite loaned from NASA for a period of one year to beam satellite television programmes to several hundred villages in rural India as mentioned earlier.

When the SITE project was about to commence, Arthur C Clarke wrote :

> "Those who actually live in the East, and know its problems are in the best position to appreciate what cheap and high quality communication could do to improve standards of living and reduce social inequalities. Illiteracy, ignorance, superstition are not merely the result of poverty; they are part of its cause, forming a self-perpetuating system which has lasted for centuries and which cannot be changed without fundamental advances in education. SITE is a bold attempt to harness the technology of space for this task. SITE was indeed a success".

In the words of Dr. Yash Pal, noted Indian space scientist, SITE was a deep human experience. It generated new capabilities, demystified space technology and helped to nucleate a large island of self-confidence. But of greater significance was the generation of a new kinship between technologists and the grass roots problem of the country, a common concern for the ultimate social and human goals.[12]

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[12] From an essay entitled : Satellites & Saris, originally written in 1973 and reproduced in Arthur C. Clark's Collection of essays 'The View from Serendip.'

However, it appears that the countries of SAARC have not seriously addressed the possibility of collectively using satellite communications for educational and developmental needs of the entire South Asian region.

In this context it may be mentioned that a concept paper SAARCSAT, circulated by P.P. Dias of Sri Lanka in December, 1992 to the SAARC secretariat had proposed the setting up of SAARC Regional Communications Satellite, which he named as SAARCSAT principally for the purpose of using DBS technologies for mass adult education in South Asia.

Explaining the concept, the paper noted :

> "SAARCSAT is proposed as satellite to be launched to a position in the Clarke Orbit. It will be a tool to primarily educate South Asian adults and provide them with information on family planning in the process. Different channels could transmit educational programmes in different languages of the region. Sri Lanka the South Asian country located closest to the equator, is the ideal location to transmit to SAARCSAT from a technical standpoint."[13]

For this farsighted project to be implemented, investments and careful planning would be needed and very low cost television with DSB antennas attached to them will have to be developed. The television will have to be powered by rechargeable batteries using solar power. The challenge would be to integrate these resources and know-how for common non-profit objectives of SAARC countries.

The concept of a common regional satellite is by no means new. But it is the political factors that determine the chances of success of such a venture. Space is the heritage of mankind but Vikram Sarabhai noted the complications arising out of such a common regional satellite system as early as in 1968. The biggest challenge of launching such a satellite will be of producing effective and accurate educational programmes that would sustain viewers interest and would be able to compete with the popularity of the entertainment channels. The best approach would be to shun bureaucratic and formal practices and blend education with entertainment.

GRAMSAT: India's own Satellite for rural broadcasting.

While SAARCSAT is still a concept, another proposal concerning a communications satellite to be launched by India for broadcasting television programmes for the socio-economic development of the country is soon becoming a reality. Called GRAMSAT this will follow the model of SITE and its successors in taking the messages of agricultural development, health, literacy, sanitation, family planning and environmental conservation to billions of rural people in various parts of India. If language barriers could be overcome GRAMSAT could immediately become one major channel for sharing developmental information and knowledge among SAARC countries, thus promoting regional co-operation and collectively strengthening the region's capabilities in areas like production, trade and conservation.

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[13] Ibid, p. 89.

To sum up, some strategies for overcoming constraints in the electronic media sector, for achieving greater regional co-operation can be suggested as follows:

(1) *Governments Role*: SAARC Governments have the responsibility to implement effective and meaningful programmes for the good of the people. Mass media must not be used for abuse of power. It leads to the loss of credibility for the media. The Media desperately needs political support in order to exercise its inherent potential meaningfully and effectively but should not lend itself to gross misuse in return.

(2) *Training*: Greater importance has to be given to training as an essential input for raising programme standards. Recognition of this need at programme management level appears to be not sufficiently intensive, resulting in poor planning and mediocre production.

(3) *Regional knowledge*: In order to contribute more effectively to regional co-operation issues, information leading towards greater specializations on South Asia is included as a regular component in training courses conducted for media personnel.

(4) *Media's independent role*: This role of the media in perpetuating differences and creating lack of harmony needs a serious reconsideration.

(5) *Exchanges of views and experiences* : In order to strengthen media action and to make media intervention more realistic, greater opportunities may be provided for media persons to meet their counterparts in other countries in the region more frequently and share experiences. This can help to dispel many misgivings.

(6) *Regional Competitions* : An annual regional competition for radio and video producers spotlighting their contributions towards regional co-operation could prove an effective incentive and also serve to—
   (i) broaden their perspectives;
   (ii) display talents before a wider audience, and
   (iii) facilitate people-to-people communication.

(7) *Role of NGO* : Greater encouragement must be given to NGO's, already contributing a valuable service in the communication field to extend their services further at the regional level.

(8) *Community radio* : Information on regional matters, helpful to strengthen goodwill and understanding among the people in the region, could be disseminated effectively through community radio systems, thereby creating an atmosphere conducive for regional co-operation.

(9) *Media Managers* : For the electronic media to play a greater role in promoting regional co-operation, it will require a breed of media practitioners and managers who recognize the crucial significance of such co-operation and then work towards facilitating it inspite of constraints and setbacks.

(10) *Technology Management* : Management of technology and human resources in the electronic media, harmonizing human and technological resources to achieve an optimum balance, is another important aspect that has to be looked into. Needs of the media and audiences have to be given top priority. Countries of South Asia have to be extremely perceptive, responsive and alert about the trends and directions of technological change. Such alertness would avoid being overwhelmed with a new technology as has happened in the case of transnational satellite.

(11) *SAARCNEWS* : An effective regional news and information network could be established. This commercially operated news agency could employ only nationals of the region and report on news and developments taking place in any part of South Asia.

(12) *Educational Programmes* : The percentage of available radio time utilised for educational and information programmes is less than 10 per cent in all the countries in South Asia. Educational programmes based on distance education principles for the benefit of adults who may be literate, semi-literate or illiterate have to be given special emphasis.

(13) 'Farm and Home' programmes which broadcast information on agriculture, animal husbandry, child care, community development, cookery, co-operation, credit, nutrition, public health and safety in the household have to be made more popular.

(14) Motivational programmes designed to encourage farmers to adopt new cultivational practices, rural families to adopt family planning or small businessman to apply modern management principles can take the form of features, educational programmes both in radio and television. The

launching of SAARCSAT and Gramsat should be seen in this context.[14]

Thus it is, clear that co-operation in the SAARC region can succeed with greater knowledge, understanding, sharing and tolerance not only among the governments of the region but even more importantly among the culturally, linguistically and religiously diverse people of SAARC countries. This can be made feasible only through better information and communication networks. The electronic media is endowed with the potential to play a positive role in accelerating this process of better understanding and coherence among the people of the region. What is needed is giving the media a working environment free of political, social and economic constraints. A well planned communication strategy, at the regional level spelt out above could help the South Asian nations to strive together for a better tomorrow with the help of the Informatics Revolution.

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[14] Ibid., 87–92, H.M. Gunasekara in his book 'Media as a Bridge Maker,' p. 87 to 92.

SCIENCE & TECHNOLOGY IN SOUTH ASIA—A CASE FOR CO-OPERATION

Man is a tool making creature. His brain and hands help him to make new inventions and evolve fresh technologies. These, in turn, assist him in fighting adversity and add to his comfort. When abused they wreak destruction. When used judiciously they help the cause of human advancement. One of the prime distinctions between a primitive and an advanced society is technological.

Over the years the relationship between technology and the process of social change has become mutually reinforcing. Currently the pressure from over-population and the rising expectations of the people in developing countries are exerting a strong demand for rapid technological advancement. If we look into the history of the so called developed economies of today i.e. mainly the Western European countries, America and new Asian giants like Japan, we will find that highly sophisticated technology has played a crucial role in their development process. However, technology did not fall like 'manna from heaven' in these developed economies. Infact it took a long time to reach the state of technology they have achieved. For example, technological development in Great Britain started with the Industrial Revolution. Infact, Britain was the pioneering country where various technological advancements took place. These advancements were then passed off to the various colonies and later to other countries of the world. Thereafter rapid research and development (R&D) led to the development of highly sophisticated technology which has played a significant role in the growth process.

It is being increasingly realized that technology is the key for creating a prosperous society even for the poorest of the poor. It is not an independent and autonomous force but an instrument at man's disposal for problem solving. The planners have to determine which problems to solve and how to use technology to do that. In this process proper selection is of the essence of technology-based development planning.

Science on the other hand is the quest for rules governing natural phenomena free of concern about possible application to human life. Systematization of accumulated knowledge gave rise to science. In this sense, science is simply the pursuit of knowledge for its own sake. Technology has the practical goal of making a directly useful application of gained knowledge to human life or to the process of goods production for human use. Thus, it is technology which contributes to development, while science may cause technological advancement. Science and technology, however, are inseparably interlinked. Technology must be employed today for a better tomorrow and the science of today could bring about the technology of tomorrow. In other words science is used to advance technology. Scientific knowledge and knowhow are new wealth; their relationship is synergetic—the whole is usually greater than the sum of the parts. Technology parameters all cultures, societies and individuals because of its utility. The coupling of science and technology has led to remarkable advances in economic growth and developments of societies across the globe.

While the developed countries have used technology as a major vehicle for development, the countries of the third world have not been able to use it efficiently for one reason or another. That is why growth rates have differed from country to country. According to Denison, "Technological innovation was responsible for more than half the increases in the post-World War II rates of economic growth in the US."[1] So the under developed countries need to use the technical knowledge acquired by other countries in an efficient manner, since the world today is being swept by the technological revolution. Sharing of ideas and information with the first world can lead to overall development of the Third World. As distances shrink and globalisation advances, this process of sharing will become faster and more efficient.

When the South Asian Association for Regional Cooperation was set up in December 1985, the main agenda of the SAARC countries was to accelerate economic growth, social progress and cultural development in the region in order to promote the welfare of the people of South Asia and to improve their quality of life. However, even after more than a decade of the Association's existence into being, we are at a juncture, when the socio-economic status of these countries remains low. We find that various adverse social indicators having an impact on the quality of life in the

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[1] F. Sen and Subba Rao : Science and Technology Co-operation between South Asian Countries : Some Issues in Arif A Waqif (ed) South Asian Co-operation in Industry, Energy and Technology, p. 213.

Eighth Meeting of
Heads of State or Government of Member Countries
the South Asian Association for Regional Cooperation
New

Eighth SAARC Summit in New Delhi on May 4, 1995

The SAARC Council of Ministers with former Prime Minister Shri H.D. Deve Gowda in New Delhi region are unacceptably high like the infant mortality rate, under 5 mortality rate, and the maternal mortality rate. A large section of the population is illiterate and does not have any access to proper sanitation and drinking water facilities. Population pressure on land is very high as this part of the world harbours around one-fourth of the total population on earth. There is a deepening poverty level aggravated by various other social deprivations, discriminations and distribution of income and employment where the poor suffer. No wonder, the Human Development Index (HDI) ranking in terms of longevity, knowledge, and standard of living of these countries is very low. Basically, the HDI rank of most of these countries lies in the bottom quartile of the enlisted 173 nations.

The techniques of production in this region remain backward and they often determine the boundaries of what is possible for these countries to do. Whereas agriculture is now fully mechanised in Europe and North America, most farmers in our region still persist with centuries old farm techniques. Only a small beginning has been made in the use of tractors, harvesters, and other machines; but mechanisation remains confined to a few areas and there too on some relatively bigger farms. Dependence on agriculture is very high for these economies although there has been a gradual change in the structure of production over the past fifty years in this region. Inspite of such a change there has hardly been any proportionate change in the dependence of labour force. In the case of India, e.g., agriculture's contribution to its GDP has fallen from 44 per cent in 1965 to 27 per cent in 1996, but the labour force dependent on this sector continues to be as high as 63 per cent. During the same period, there is hardly one percent release of labour force in Nepal when agriculture's contribution to GDP fell by 13 percentage points. This manifests the basic agrarian character of the region.

The regional growth patterns in most of the critical sectors like agriculture, industry, manufacture and services have not recorded any perceptible increase both during 1965–80 and 1980–94. Except Bhutan, no country has crossed the 5 per cent mark in agriculture. The conventional developmental interventions with marginal variations have resulted in a low regional growth rate of 3.1 per cent in the last decade[2]. Most countries of the region are suffering from resource crunch and increasing balance of payments deficits. The current account deficit is so high for some countries (like Bhutan, Nepal and Sri Lanka) that without a change in production and export structure of these countries, deficit dynamics would keep growing and there will be increased need for external finance. Most countries except Maldives have shown increasing burden of debt-service ratios. For example in the case of India, there is a mammoth external debt of US$ 90.72 billion. Debt service payments as a percent of current receipts i.e. debt-service ratio hovered around 30 per cent during 1989–90 to 1992–93. Similar is the case with most other countries of the region (see Table showing SAARC debt Burdens) so that economists fear that many of them would move steadily towards an external debt trap.

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[2] M.P. Lama and P.J. Lavkare : Technology Missions for South Asia : Co-operation in the high tech domain in SAARC 2000 And Beyond, Edited by Mehrotra, Chopra and Kueck, published by Omega Scientific Publishers, 1995, p. 169.

Table

SAARC : Debt Burdens (1992)

	Total Debt Stock US$m	Debt-Service Ratio (%)	Current Account Deficit—GDP Ratio (%)
Bhutan	84.0	6.9	26.5
Bangladesh	13189.0	17.1	2.6
India	76983.0	25.3	2.6
Maldives	80.4	4.0	18.7
Nepal	1797.0	11.7	9.0
Pakistan	24072.0	23.6	5.2
Sri Lanka	6401.0	13.5	6.6

Source: M.P. Lama & P.J. Lavkare—SAARC-2000 and Beyond Table II, p. 184.

Coupled with the high external debt, the countries of this region are riddled with high deficit in balance of trade. Exports finance only partially the import requirements of most SAARC countries. Another important feature of direction of trade of the South Asian countries has been a steady rise in their exports to and imports from industrial market economies. On the other hand, the intra SAARC trade, which was one of the main agenda of the SAARC forum, has suffered a quantum fall both in terms of volume and growth rate. "The intra-SAARC trade recorded an average annual growth rate of 6.7 per cent during the period 1980–92 whereas South Asia's trade with countries outside the region grew at the rate of 7.96 per cent. As a result, intra-SAARC trade, as percentage of South Asia's world trade has recorded a steady down-trend from 3.19 to 2.92 per cent during the same period".[3]

In many South Asian countries the population growth has far outpaced growth in the agricultural sector. There has been an increasing demographic pressure on land due to this fact. Not only is there a declining land-man ratio, the population growth rate in these countries makes a non-sense of development, considering the available utilisable resources and the level of technological progress. Thus population growth acts as a major impediment to development and, therefore, these countries seem to be caught in a low growth, poverty syndrome. The region has witnessed an extensive erosion of its natural resources base in the last fifty years. The countries of the region have a predominantly rural-setting with 80 per cent of the poor living in rural areas. Hence the rural sector has to be managed in an efficient manner so as to fight the social evils like poverty and unemployment and the development of appropriate tichnologies and their proper application is of crucial importance.

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[3] Ibid, p. 182.

Technological Interventions

Thus to scuttle the cycle of high population growth—low development—higher population growth, technological interventions are needed in South Asia. Because of their rural-setting and agriculture being the predominant sector in South Asian countries, there must be meaningful and effective science and technology intervention in agriculture. Unless this is done growth prospects of the countries would not be achieved. Public investment in agriculture has to be boosted up side by side to help these countries to achieve self-sufficiency. Even in the case of industrialisation which is a well articulated and widely accepted strategy for rapid economic growth, technological intervention is needed. Precisely, the pace of industrialisation is strongly influenced by the rate of technological change. How the technological intervention is to take place—whether it would be through import of technology from abroad or through the development of technology indigenously by massive investment in R&D is also a matter of great concern for South Asian countries.

Since the technological set-up of the SAARC countries is low, they have depended heavily so far on technology acquisitions. Industrial sectors in the South Asian region have begun to grow rapidly since the early eighties. Industry in several countries in South Asia developed at the rate of 7.5 per cent in the 1980s and has been developing at close to 10 per cent per annum in the 1995s but their technological dependence on external factors is heavy.[4]

There are no policy guidelines of the different countries of the region on the issue of technology import. We have countries like India who have definite policy guidelines and instruments which can be directly applied to terms and condition's in contractual agreements, and have regulatory agencies for technology acquisition. Also there are countries like Pakistan and Sri Lanka which have no definite guidelines but rely on indirect regulations like the Foreign Exchange Act to implement decisions. Finally there are countries like Bangladesh who follow an open-door policy to technological acquisition.

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[4] Sen & Rao—Ibid, p. 214–215.

The problems of technological acquisitions or technological dependence are many. Firstly, the latest technology is not made available i.e. the country from which the technology import is made does not give away its latest technology. Secondly, the technologies acquired have often not been appropriate to the resources and needs of the importing country. Thirdly, the costs of acquiring these technologies have been prohibitive. The costs may be explicit or implicit. For example, there may be direct payments like royalties, licensing fees, costs of plant and machinery, consulting fees etc. Often, contractual agreements are made so that all or part of the import is taken from a given source which leads to overpricing of inputs. Sometimes, technology is sold in an imperfect market for far in excess of the marginal cost. Fourthly, there is a loss of control over decisions including restrictions on the use of the technology—restriction on possible adaptations or changes to process and design that can make the technology appropriate to the specific needs of the country or restrictions on the amount to be produced and on pricing etc. Fifthly, there is the unsuitability of the technology received. For example, the small domestic markets of the receiving country may not be able to support optimal production levels and scaling down may be necessary to cut production costs, or redesign of operating characteristics may be needed to suit local skills. Lastly, there is a crucial impact on the local innovative base in the sense that there is a demoralising effect on indigenous R&D when technology is imported. Also externally acquired technology inhibits the 'LEARNING BY DOING' process in general, and makes it more difficult to develop the required skills to maintain, improve and modify plant operations. While indigenous technologies remain poor, foreign technologies would hold sway in increasingly open economies due to the link between foreign investment and foreign technologies.

Technological Cooperation

It is in this context that there is a case for scientific and technological cooperation among the SAARC countries. The unequivocal acceptance of the need for technology in South Asia calls for cooperation among the member countries. Cooperation or collective effort by members of SAARC is essential because it would help them to develop technology indigenously and will be in tune with the SAARC ideal of collective self-reliance. R&D requires very high investments. Even if all the resources of the South Asian region are put together, they will not be able to match a developed country's capacity to produce technology. Since the SAARC countries share identical problems of poverty, slow pace of industrial growth and adverse external payments situations, it is essential for them to devise a working strategy of mutual scientific and technological cooperation, so that areas for feasible collaborative ventures can be identified. Such collective identification of technological thrust areas would benefit the entire region by the development of the capacity to produce technology.

This type of collaborative effort in R&D in some major thrust areas is not an uncommon feature. From the year 1957 until the early 1980's European collaboration in Science and Technology mostly focused on energy research—this was done to find a possible solution to meet EEC'S own energy requirements. EURATOM (European Atomic Energy Community) was launched in 1957. Another organization, ELDO, European Launcher Development Organisation, was created in 1962 to challenge the US monopoly in space launchers. Although both the efforts failed because the political dimensions proved too difficult to handle, we can learn a lot of things from the European experience. In these two organisations, viz., EURATOM and ELDO, collaboration was regulated at the government level. In 1985, another collaborative programme called Eureka was formed. The programme, unlike the above two, was industry-led with a general umbrella support from the concerned governments. "The programme is a conglomeration of a few hundred projects in areas of high risk R&D in which industries from different European countries agreed to participate and certain amount of cost sharing arrangements made involving individual countries and their industries."[5] The R&D results were shared by the respective member countries and there was an agreement on this. The programme has a federal structure and a decentralized monitoring approach i.e. the central secretariat of the programme do not get involved in individual country efforts. There were some problems with the EUREKA programme as well. A common innovative policy could not be accepted by the member countries having divergent innovation policy goals and political objectives. Nevertheless, Eureka has succeeded in bringing the European industries to work together on R&D projects which individually they could not afford. Through their collective efforts they strengthened the commercial capabilities of Europe and made Europe competitive with USA and Japan. The lessons emerging from Eureka programme for the SAARC countries are many. Firstly, enhanced R&D efforts are needed for rapid economic development. Secondly, individual small countries will find high tech R&D costly and collaborative efforts are more likely to lead to collective economic benefits. Thirdly, collaborative efforts amongst nations could imply conflict with national policies and concerns of economic and political security. Such pitfalls have to be avoided. Fourthly, collaborative programmes have to be organised in a manner which will provide autonomy in decision making to an individual partner, with an understanding to share the costs and benefits on an equitable basis. Finally, the management of collaborative efforts should be more in the hands of implementing agencies and organisation, than directly those of national governments.

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[5] Lama and Lavkare : Ibid, p. 186.

These lessons of the Eureka programme are very important for the South Asian countries as well. R&D Collaboration in high-tech areas of interest to member countries will help in the development of the region as a whole. There is a large market potential in the region. SAARC needs to identify such collaborative science and technology projects which are focused, and well managed and would clearly demonstrate tangible benefits in a reasonably short time span.

Create SAAREKA

In view of the above, SAARC must establish a Eureka of its own which may be called SAAREKA. The organisation may be utilized for taking up SAARC Technology Missions bringing the member countries together. The 'Technology missions' would be based on the collaborative spirit of Eureka with a willingness of the member countries to look at long term gains rather than short term inconveniences. The idea behind the 'Technology missions' cannot become a success if the member countries look at each other with suspicion. The motivation should be a common desire to accelerate economic development of individual countries and of the region as a whole.

The major thrust areas where one can use inputs from science and technology in a collaborative manner keeping in mind the development needs and socio-economic status of the member countries should be:

i) Increased Food Production.
ii) Better Communication Facilities.
iii) Improved Health-Care Services.
iv) Enhanced Literacy rate and
v) Management of Natural Resources for Sustainable Development.

That is not going to be an easy task since each of these areas would require a well articulated and coordinated collaborative programme drafted by the member countries in unision with each other. To some it may sound like an utopian dream given the political differences dominating the region including a history of wars. However, SAARC countries will have to learn to work together for the sake of economic development, just as members of the European Community have done, coming to terms with their differences and evolving an acceptable mechanism for collaboration on the SAAREKA programme.

Country-wise Analysis

Let us look into what various member states of SAARC have to offer in this respect i.e. to find out what each country could consider 'as major thrust areas for cooperation'.

INDIA

From the point of view of India, biotechnology, energy conservation and agro-processing are of vital importance. Biotechnology is an area of high technology with large potential growth, offering tremendous opportunities. The market for biotech products is vast. According to one estimate the demand for biotech products would be in the region of Rs. 5–6 billion by the year 2000, with about 70 per cent in the area of industrial products. The Government of India has selected biotechnology as a strategic technology and constituted a National Biotechnology Board in 1982 to promote, oversee and coordinate the development of biotechnology activities in India. The Department of Biotechnology, the CSIR laboratories and other research institutions of the country are working on potential applications of biotechnology in the fields of agriculture, animal husbandry, biomass product, health, industry, energy and environment. In an emerging area like this, India calls for synergistic R&D alliances between R&D organisations/institutions of the countries of the region which would help to alleviate the shortcoming of individual countries.

Energy conservation is another major thrust area considering the fact that India consumes nearly 400 million tonnes of oil equivalent as primary energy. A sizeable portion of this energy is met through non-commercial(traditional) sources, whose contribution is placed at 25–30 per cent. The use of commercial energy has been increasing rapidly even in rural areas despite the fact that the energy prices have risen at a rate faster than inflation. This has resulted in widespread energy shortages. Energy demand estimates by year 2005 are placed at 450 million tonnes of coal, 95 million tonnes of oil and 645 billion units of electricity against the present level of 200 million tonnes of coal, 32 million tonnes of oil and 220 billion units of electricity. The fiscal resources required to meet these demands are a staggering Rs. 4000,000 crores. This is the main reason why development of technology in this area is badly needed, to exploit the regional renewable sources of energy. Energy conservation measures are to take care of the demand side which is also very important since most of the technologies for renewable sources are at a nascent stage, requiring large outlays with doubtful returns and are at best only supplementary in the medium term and offer only long term hope. Energy conservation also promotes economic growth with efficiency and makes the industry internationally competitive. Therefore, energy conservation processes are advocated in all the sectors. Application of improved design, fuel substitution, biogas plants etc. would help also in energy conservation. Apart from this, R&D activities undertaken by CSIR help in conserving energy in domestic uses and in industry. Since energy conservation is such an important agenda for the countries of the region, the following suggestions are worth considering:

(a) Governments of respective countries should give the highest priority to energy conservation and lay down national policies/ incentives to encourage energy conservation.

(b) Databases may be established on a regional basis on information and case studies on successful energy conservation measures.

(c) Lastly and most importantly, formal mechanisms for sharing of information and experiences amongst organisations within and outside the country should be put in place.

Agro-processing industries as a single category is the largest industry in the world. It is a growth industry, capable of generating employment and income in developing countries, especially in the decentralised sector. It involves sophisticated technology. In India, this industry is largely in tiny and small sectors. The major constraints to the development of this industry in India are the comparatively high costs and variations in availability of raw materials; inadequate and expensive refrigeration facilities for storage; transportation and distribution; old processing equipment and technology; poor availability and high costs of good quality packaging and related materials; and inefficient technologies. Therefore, major R&D in this sector is needed. Basically, this industry spends less than 0.1 per cent of its turnover in R&D. The R&D is carried out by public funded R&D institutes like the Central Food Technological Research Institutes in Mysore. CFTRI developed technologies have led to an increase in yield and quality. The future R&D programmes of CFTRI relate to natural methods of control of pests of stored grains, microwave and high pressure technologies for food processing, use of microbes in food processing, genetic engineering to improve pest/disease resistance in crops, protein engineering and last but not the least energy conservation in food industry. The problems due to lack of modern technology, machinery, skilled manpower and finance can be overcome better by sharing experiences amongst the seven SAARC countries. Regional cooperation is needed for training of personnel in modern skills for the food sector and for testing/certification/ development of pilot plant facilities.

BANGLADESH

Bangladesh, has a centrally institutionalized committee called the National Committee on Science and Technology which organizes and co-ordinates all research and development work in the country. Improvement of standard of scientific knowledge, and promotion of research and establishment of research institutions and universities are the major agenda of NCST. It also coordinates activities of different organisations in respect of technology transfer. A consultative committee on transfer of technology was formed. The recommendations of the committee included assessment of technological needs and capabilities, utilization of appropriate technology at all levels and devising legal, fiscal and financial instruments to ensure diffusion and application of technologies. Also it suggested taking up programmes for need oriented training and research to facilitate the development of local technologies and adaptation of imported technologies. Some priority areas have been identified in order to implement the recommendations of the consultative committee. Appropriate measures are now underway to implement the other recommendations of the consultative committee. Biotechnology, genetic engineering and information technology are also important thrust areas apart from the ones mentioned above. This is why in perspective plan-management, setting up centres of excellence in educational research and training in these fields were given special emphasis. Research in biotechnology is very important for Bangladesh because its basic development goals are increased food production, better health care and enhanced energy generation for domestic and industrial purposes. In order to fulfil these aims, Bangladesh has developed seven biotechnolgical items for concentrated effort. These are :—

i) Production of Rhizobial inoculant for use as biofertilizer.
ii) Production of Yeast as protein supplement to poultry feed.
iii) Production of Tissue culture derived post-exposure anti-rabies vaccine.

iv) Production of Tissue culture based Foot and Mouth disease vaccine.
v) Propagation of Bamboo through mass production of bamboo saplings by Ex-vitro and In-vitro methods.
vi) Biogas technology for fuel, fertiliser and control of pollution.
vii) Production of high quality potato seeds by using tissue culture.

SAARC should help the transfer of these technologies from Bangladesh to other member countries under regionally sponsored programmes.

Bangladesh depends on commercial fuels as well as non commercial fuels. As in the other countries, it meets its requirements by import. Recently, coal has been discovered in three places, but Bangladesh has no experience in the extraction of coal. Technological cooperation in this field with other countries in South Asia will help Bangladesh in utilizing this resource.

PAKISTAN

Pakistan proposes to establish new science based industries which would help in improving export performance, in providing employment opportunities at minimum cost, and in creating a self reliant and self sustaining industrial base. It also stresses quality control and final finishing of the goods produced. The major areas of regional cooperation in Research and Development vis-a-vis Pakistan are:

a) Applied Chemistry,
b) Food and Biotechnology,
c) Minerals and Metallurgy,
d) Glass and Ceramics,
e) Applied Physics,
f) Computer and Instrumentation,
g) Environmental Research and Pollution Control,
h) Applied Biology and Fine Chemicals,
i) Polymers and Plastics,
j) Natural Drugs,
k) Agro-base and Rural Technology,
l) Chemical Engineering and Pilot Plant Studies,
m) Coal Conversion and Combustion,
n) Hydrogen and Alternate Fuels,
o) Leather Technology,
p) Research Utilization and Extension,
q) Solar Deviser and Solar Water Desalination.

Of necessity, SAARC has to concentrate on scientific manpower development. Highly trained scientists and technologists have to be groomed and nurtured through regional efforts as education in developed countries is becoming more and more expensive.

Specific manpower development plans need to be chalked out keeping in view the immediate and long range requirements of the participating countries by mutual manpower exchange. The Pakistan Council of Scientific and Industrial Research has offered its services in the form of trained manpower or expertise in various R&D disciplines to the member countries of SAARC in order to realize mutual goals and remove bottlenecks in industrialisation. The countries of the region should avail of the offer maximally.

SRI LANKA

The thrust areas for scientific and technological cooperation in Sri Lanka are agro-based industries, waste utilization management, energy conservation and biotechnology. In agro-based industries, technical development in various sectors like dehydration of vegetables and fruits, preparation of fruit drinks, cordials and beverages, preservation of spice & rice based technologies etc. would constitute areas of regional cooperation vis-a-vis Sri Lanka. Specific technologies of benefit to Sri Lanka, considering its soil conditions, need to be developed and commercialized.

The Sri Lankan Government has recognized that business entrepreneurs as well as potential industrialists need to adopt new strategies and methodologies to facilitate technology based development. For this, SAARC countries should initiate a clear-cut joint plan at the subregional level on

i) Strengthening information exchange on commercially viable technologies.
ii) Organisation of joint technology demonstration.
iii) Strengthening technology consultancy through exchange of experts in specific sectors.

There is scope for research in developing new technologies concerning traditional food items in the sub-region of South Asia. When developing new technologies more consideration has to be given to safety aspects and reduced usage of chemicals in food preservation. There is a major scope for sub-regional cooperation in this area, say, in setting up pilot plants. Modern pilot plant facilities are very expensive and having a common pilot plant would cut down costs incurred by individual countries. Trained technologists and engineers in specific sectors are lacking in the region and hence there may not be a sufficient number available to countries individually in South Asia. Also individual countries may not have a strong and adequate industrial base to absorb the technologies developed and transferred through pilot plants.

For waste utilisation management, and energy conservation there is a good scope for sub-regional cooperation as the problems encountered are common to the region. National R&D institutions like the National Engineering Research Development Centre and Ceylon Institute of Scientific and Industrial Research have done useful research work independently in this field and sharing of its knowledge with other SAARC member states will be of considerable help.

In bio-technology, there is a good scope for sub-regional cooperation. Sri Lanka would like to see more joint research projects within the SAARC region. Six such joint research proposals have already been submitted under Indo-Sri Lanka Science and Technology Agreement. Also research into malaria, rice breeding, biological control of pests, super conduction etc. will benefit from such collaboration.

NEPAL

Nepal also considers biotechnology, energy conservation, waste utilisation management and agro-based industries as the major thrust areas for technological development. Sub-regional cooperation among the SAARC countries could go a long way in the development of these sectors. Such cooperation could be in the form of:

i) technical and managerial exchange programmes.
ii) exchange of information.
iii) identification and implementation of co-operative programmes on regular basis.
iv) establishment of coordinating units.
v) establishment of a special fund for the sub-regional co-operative programmes.
vi) setting up demonstration and pilot plants.

SAARC Technology Missions

Taking note of the thrust areas in technological development already spelt out in most of the SAARC countries and looking at the socio-economic scene of South Asian countries, it becomes evident that there is a scope for evolving relatively well focused programmes called SAARC Technology Missions in certain development sectors in the region. These sectors could be identified as

i) Agriculture and Dairy Development and
ii) Natural resources Survey and Satellite Communication using developments in high-tech sectors like Biotechnology and space technology.

1) SAARC Regional Technology Mission on Agriculture and Dairy Development

The agriculture and the dairy sector has been of tremendous importance for the South Asian economies. This is due to the rural-setting of most of the countries in this region as discussed earlier.

The SAARC countries need technological missions in agriculture and dairy development because that will help to :

i) increase productivity,
ii) reduce cost of production,
iii) minimise risk,
iv) enhance returns,
v) ensure greater resource neutrality in the adoption of technology and
vi) better consumer and market quality.

For achieving such goals, the basic task of this Regional Technology Mission should be to:

i) develop technologies which are internationally competitive;
ii) identify the available new technologies and their information dissemination to the rural farmers in the region;
iii) find out the cost involved in realising the benefits of these new technologies by the poor and small producers;
iv) evolve institutions and institutional collaborations required for their effective adoption, implementation and sustainability;
v) frame conscious directions and guidelines on research priorities and innovative pursuits and the integration of the traditional with the new technology interventions;
vi) arrange for regional guidelines and monitoring of the foreign collaboration and technology transfer activities; and
vii) conservation of resources in establishing technology data banks such as germ plasma conservation and technology forecasts.[6]

2) SAARC Regional technology Missions for Natural Resource, Survey and Satellite Communication

This sector is amenable to a co-operative 'mission' approach in the SAARC region in so far as it relates to the peaceful uses of Space Technology in the area of Resources Survey and Management and Satellite Communication. The satellite technology is of immense use in:

i) natural resources survey;
ii) meterological applications; and
iii) communication and broadcasting.

For the purpose of natural resource survey, satellite technology helps in monitoring of land and water resources, forest area coverage and possibilities of mineral and other natural resources. Secondly, in the meteorological field, it is helpful in weather forecasting, flood forecasting and cyclone warnings which are all essential for the predominantly agricultural economy based South Asia region. Thirdly, in the area of communication and broadcasting, the satellite technology is very efficient for establishing reliable telecommunication links between remote areas within and outside the national boundaries.

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[6] Lama and Lavkare : Ibid, p. 189.

The scope for scientific and technological cooperation in the region depends heavily on India. This is because India has 90 per cent of the manpower within this region in terms of scientific and technical personnel in this field. If India shows willingness to share knowledge and provide training facilities to the other countries of the region, it would be possible to apply the already existing technical knowledge in this hi-tech area for the purposes of socio-economic development of the region.

The Regional Technology Mission in this field would involve the use of existing series of Indian satellites for the South Asian region as a whole. It would also involve planning and development of a satellite for the SAARC countries (SARSAT) which will provide opportunities for member countries to satisfy their own needs in the areas of natural resources survey and communication. The satellite will be developed through collaborative efforts based on additional resources which can be mobilized on a multilateral basis in the SAARC region.

Conclusion

It is certain that regional Scientific and Technological cooperation among the SAARC countries would be mutually beneficial in extending the application of Science and Technology to the general development process as well as for the solution of scientific and technological problems peculiar to the region. This could be done through exchange of information and know-how, reciprocal visits of scientists and technologists, training in selected fields, collaboration in R&D projects or consultancy. But in order to make this a success there is an urgent need for political understanding and transparency. Suspicion should be replaced by a common desire to accelerate economic development of individual countries and of the region as a whole at the same time.

Apart from the formulation, implementation and financing of 'Regional Technology Missions', there are major hurdles for scientific and technological cooperation among the SAARC countries to cross. With that in view, a ministerial level SAARC Committee on Scientific and Technological Cooperation should be set up at first. There already exists a SAARC Technical Committee on Science and Technology at the bureaucratic level. If the 'SAARC Technology Missions' approach has to materialize, there is also an immediate need for holding meetings of heads of various national agencies (say in Agriculture & Space Technology) and working professionals from member states.

The problem of financing of 'Regional Technology Missions' could be a major deterrent to Scientific and Technological Co-operation among SAARC countries. Although finance can be obtained from multinational sources like IMF, World Bank etc. or in the form of Official Development Assistance from developed donor countries, such a course could add to the already existing high debt burden of SAARC countries. Hence, financing these 'missions' from resources generated from within their economies would be much better than external finance. In most of the countries of the region defence expenditure has been a major cause of (i) high fiscal deficits (ii) balance of payments problems and (iii) increasing external indebtedness. Therefore, reduced military spending in the countries of SAARC could generate sufficient resources for the funding of these technological missions. Since such a step will be taken simultaneously by all the member countries, the perception of any threat to national security anticipated from reduction in defence expenditure will not arise. Therefore, regional cooperation among the SAARC countries, in S & T would not only help to achieve a congenial climate for productive investment in R&D, but also indirectly contribute to regional peace.

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SAARC AND HUMAN RESOURCE DEVELOPMENT

> "People are the real wealth of a nation. The basic objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives. Human development is a process of enlarging people's choices."
>
> **—Human Development Report, UNDP, 1990**

Human resource is the most strategic and critical determinant of growth today; yet its development has not received the required attention in South Asia. In the closing years of the 20th century, South Asia is amidst a crisis of underdevelopment, rampant poverty, ever-mounting population pressures and growing socio-economic deprivation and disparities largely for that reason.

South Asian countries remain a picture of contrast. On the one hand there is the phenomenon of the green revolution which has converted some countries of South Asia like India from a chronically famine stricken area into a food surplus area. On the other hand there is widespread poverty, illiteracy, unemployment, low growth rates of domestic product, low rates of industrialization, extremely high dependency on the primary sector and uneven distribution of wealth. The nations of South Asia belong to the world of subsistence-oriented economies where the overall level of human resource development is very low. In today's world the concept of development has started emphasizing on 'development with a human face'. Conventional indicators such as GNP growth, capital accumulation etc. are no doubt important, but they are not an end in themselves. The most critical choice is to improve the quality of the human resource itself in a society so that people may live longer and healthier and have access to resources needed to satisfy one's needs. A full scale participation of people in building their future is possible only if they have developed themselves as rich human resource for their collective development. Scholars of economics and management know that there is an intrinsic relationship between the prosperity of a nation and the quality of its human resource. Japan is a recent example of the wonders that efficient and disciplined use of human resource can do to a nation.

Concept of HRD

In broad terms, Human Resource Development means, identifying and nurturing what is most useful and beneficial to each member of the society and then plugging it all into some kind of an overall strategy for increasing material prosperity and sequential advancement of the society as a whole. In the world of living matter (mainly human society), the latent potential of an individual has to be developed into a resource before it can be used as much for one's own upliftment as for others. The underlying assumption is that human effort or labour is both prior and superior to wealth because the former's existence helps the latter to exist and multiply. That is why the human effort has been called the "most precious resource."

A country may possess abundant and inexhaustible natural and physical resources and the necessary machinery and capital equipment, but unless there are men who can mobilize, organize and harness nature's bounty and other available resources for the production of goods and services, the country cannot make rapid strides towards economic and social advancement.

South Asia is endowed with rich human and material resources; however, they remain largely untapped for the prosperity of the people. Human resources in SAARC countries are rich in terms of quantity and even in terms of quality as inheritors of a rich civilization but not in terms of formal education, training and skills. An abundance of unskilled manpower can only act as a drag on development.

A review of Human Resource Development in South Asia must begin with a look at the number of people, their requirements of education, health care, housing, sanitation and other factors which contribute to the development of human resources. These largely depend on various physical, social and economic characteristics as well as the dynamics of population such as fertility, mortality, migration etc.

Social Development

All the SAARC countries have set themselves on a process of social change despite the great problems that stem from population pressure and low per capita incomes. A picture of the quality of human life in SAARC countries is shown in Table 1. The quality of human life is better in Sri Lanka as its life expectancy, percentage of population with access to health services and sanitation,

Table 1

Trends in Human Development

Countries	HDI rank	Life expectancy at birth (years)		Infant mortality rate (per 1000 births)		Population with access to safe water (%)		Under weight children (as % of children under five)		Adult literacy rate (%)		Enrolment ratio for all level (%age 6–23)		Real GDP per capita (PPP [$])	
1975	1990	1960	1992	1960	1992	1975-80	1988-91	1975	1990	1970	1992	1980	1990	1960	1991
Maldives	118	43.6	62.6	158	56	—	—	—	—	—	—	—	—	—	—
Bangladesh	146	39.6	52.2	156	109	—	—	84	66	24	37	30	32	621	1,160
Nepal	149	38.4	52.7	187	100	8	42	63	51	13	27	28	41	584	1,130
Bhutan	162	37.3	47.8	203	131	—	—	—	—	—	—	7	11	—	—
Pakistan	132	43.1	58.3	163	99	25	56	47	42	21	36	19	24	820	1,970
India	135	44.0	59.7	165	89	—	—	71	63	34	50	40	50	617	1,150
Sri Lanka	90	62.0	71.2	71	24	19	71	58	42	77	89	58	68	1,389	1,970
Canada	1	71.0	77.2	—	—	—	—	—	—	—	—	—	—	7,758	19,320
China	94	47.1	70.5	150	27	—	—	26	21	—	—	50	53	732	2,946
Germany	11	69.7	75.6	—	—	—	—	—	—	—	—	—	—	6,038	19,770
Japan	3	67.9	78.6	—	—	—	—	—	—	—	—	—	—	2,701	19,390
U.S.A.	8	69.9	75.6	—	—	—	—	—	—	—	—	—	—	9,983	22,130

Source : UNDP—HDI Report, 1994

magnitude of nutritional status, adult literacy rate and above all the real GDP per capita which was expressed in purchasing power parity are the highest in the region. This improvement, however, is considerably compromised by the shocks administered daily by the ethnic conflict in Sri Lanka. Maldives with the highest percentage of population having access to health services, a remarkably high adult literacy rate, a better life expectancy and relatively high per capita income shows more or less the same standard of living as Sri Lanka but a more peaceful environment which enhances the quality of life.

As seen from the trends in human development, the rate of increase of life expectancy is significant in all SAARC countries. In Sri Lanka it is not only the highest in the region (71.2 years) but it is also next to that of Japan in Asia (78.6 years). The decline in child mortality rate has also been the most significant in Sri Lanka. Bangladesh has remained a rare exception where 60 per cent people did not have access to health services and a 32 per cent did not have sanitation facilities. In terms of nutritional status expressed in daily caloric supply as a percentage of the normal requirement, India, Nepal and Pakistan have retained superiority over other countries in the region by a margin of hundred per cent.[1]

Population

With over 1,177.9 million people (mid 1992), South Asia has about 21 per cent of the world's population but only 3.8 per cent of its land area. Indeed with little more than half the area of China, USA or Canada and one-fifth of Russia's, South Asia has a higher over all population density than any other major region of the world. In developing countries, despite their efforts, the deceleration in population growth has not yet been satisfactorily achieved, as seen in Table 2.

The weighted average of the growth rates of population in low and middle income economies indicates that the growth rates are on the decline in the South Asian countries and may reach 1.8 per cent W by the year 2000 A.D. but that would be far higher than 0.5 per cent W anticipated for High Income Economies in the same year.[2]

India remains the most populous country having nearly three and a half times the population of all other countries in the region put together. The two highly populous countries other than India in the region are Pakistan and Bangladesh while the rest are relatively less populous. The pressure of population on land is twice as much in India as in Pakistan. As shown in Table 3, India has 73.23 per cent of the total area of South Asia and 76.85 per cent of its population, while Pakistan has 17.9 per cent of its area and only 9.66 per cent of the population. The pressure of population on Bhutan is the lowest in the region. With 1.05 per cent of the area of South Asia, Bhutan has only 0.12 per cent of its population. Thus there is a demographic imbalance in the SAARC region. The population of the region increased from 550.3 million in 1960 to 695.5 million in 1970 to 874.7 million in 1980 and to 1177.9 million in mid 1992—witnessing an average annual growth rate of 2.3 per cent during the three decades but this growth has been quite uneven in respect of different countries of the region. (See Table 3).

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[1] See "Socio Economic Profile of SAARC Countries" by T. Nirmala Devi, South Asian Publishers, 1994, p. 19–20.

[2] Ibid, p. 22–28.

Table 2

Population Growth

Regions	Average annual growth of population (%)		
	1965–80	1980–90	1989–2000
Low & middle income countries	2.3 W	2.0 W	1.9 W
South Asia	2.4 W	2.2 W	1.8 W
East Asia & Pacific	2.2 W	1.6 W	1.4 W
Europe	1.1 W	0.1 W	0.8 W
Middle East & North Africa	2.8 W	3.1 W	2.9 W
Sub Saharan Africa	2.7 W	3.1 W	3.0 W
Latin American & Caribbean	2.5 W	2.1 W	1.8 W
High Income Economics	0.9 W	0.6 W	0.5 W

W = Weighted average

Source: World Bank 1992, World Development Report, 1992, New York, Oxford University Press.

The population growth rate since 1965 is shown in Table 4. The earlier years of the second half of this century show an unprecedented growth in the history of South Asia's population. It is estimated that population figure for South Asia will cross 1325 million mark by 2000 A.D. owing mainly to more or less the same population growth.

The rate of growth of population in Sri Lanka declined from 2.65 per cent per annum during 1965–75 to 1.64 in 1985 and it is supposed to be almost 1.60 per cent in 2000 A.D. India too experienced a similar decrease from 2.53 per cent to 1.99 per cent and will further decline to 1.8 per cent by 2000 A.D.* Bhutan,

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* According to recent estimates, in the case of India, the population growth rate declined to 1.8% in 1996 itself.

Pakistan and Maldives have also experienced a slight decline. Bangladesh too has a declining tendency to its population growth rate where it came down from 2.71 per cent during 1965–75 to 2.68 per cent in 1985 and would supposedly decrease to 2.3 per cent per annum by the end of this century.

Table 3

South Asia : Area and Size of Population

Countries	Area* km	% Area to total area	Population** million mid-1992	% of population*** to total population
Bangladesh	1,43,998	3.25	114.4	10.10
Bhutan	47,000	1.05	1.5	0.12
India	32,87,590	73.23	883.6	76.85
Maldives	298	0.06	0.4	0.02
Nepal	1,40,797	3.14	19.9	1.66
Pakistan	8,03,943	17.91	119.3	9.66
Srilanka	65,610	1.40	17.4	1.59
South Asia	44,89,236	100.00		100.00

Sources : * U.N. Demographic year book, 1993, p. 149
** World Development report, 1993, p.202, Table 1.
*** ESCAP reports, 1992, p.104 (Converted into millions)

The growth rate of a country's population determines the strength of its human resources at any point of time. By any standards South Asia has already many more people than the region can sustain in a healthy environment. The problems will mount further as the numbers increase. Unlike China, the countries in the SAARC region should adopt family planning measures through democratic, popularly acceptable incentives and encouragement and also by strengthening their literacy programmes which would give positive results in the long run. Sri Lanka is the only country which has an impressive record in population control in South Asia. Its population growth rate is now one of the lowest in the entire developing world and it was on par with China's in 1980–90, while its literacy rate is the highest.

The gender ratio, i.e., the number of females per 100 males in these countries was 99 in Sri Lanka and 95 in Nepal while it was 92 in Pakistan, 93 in Bhutan and India, and 94 in Bangladesh. The rates for all developing countries were 96 and industrial countries 106 (World Dev. Report 1994).

The high population growth in the SAARC region has alarming implications for its future development. The growth of population

Table 4

South Asia : Population growth rate since 1965

Countries	Population in thousands Percentage average growth rate							
	1965*	1975*	1985*	2000‡ (millions)	1965–75	1985*	1965–85†	1985–2000‡
Bangladesh	58,373	76,581	1,01,147	141	2.71	2.68	2.75	2.3
Bhutan	949	1,159	1,417	12	2.03	2.00	2.30	–
India	4,91,435	6,20,654	7,62,065	996	2.56	1.99	2.19	1.8
Maldives	98	133	183	–	3.05	3.30	2.33	2.7
Nepal	10,343	13,000	16,482	24	2.79	2.30	2.33	2.7
Pakistan	57,211	74,734	1,00,380	146	2.67	2.77	2.81	2.7
Sri Lanka	11,225	13,734	16,205	20	2.65	1.64	1.84	1.6
South Asia†	6,29,634	7,99,995	9,97,879	–	2.39	2.21	2.30	–

* ESCAP Reports, 1986, p.104 (Table 11.3) ‡ World Development report, 1987, p.254, Table 27.

† Calculated from the given data

so far has virtually swallowed up the impact of economic growth. The demographic variables like crude birth rate, crude death rate and crude fertility rate offer an explanation for rapid population growth.

The SAARC region with its existing large population has been characterized by a low death rate and a relatively high birth rate in recent years. In the least developed countries of the region (Bangladesh, Bhutan, Nepal and Maldives) and particularly in rural areas, population growth is quite high and health and education poorly provided for.

Demographic profiles of SAARC countries are presented in Table 4. It will be seen that South Asia has a population of over one billion which is growing at an average of over 2 per cent per annum. While the birth rate has declined by a little less than one third since the sixties, the death rate has declined by one half! There is a wide range of variation between countries of this region. On the one hand Pakistan had a population growth rate of over 3 per cent during the period 1980–93 but in Sri Lanka that rate was half of Pakistan. A disquieting feature was only a marginal decline in the population growth rate in India. The high fertility rate accounts for the rapid population growth in the region. It goes to show that except in Sri Lanka, implementation of population control devices has not been very effective in the SAARC countries.

The SAARC countries should work out regional plans to help families lower their reproductive goals, prevent unwanted pregnancies, and mortality, and improve the quality of information, communication, education, counselling and services related to family planning. Effective regional facilities for the procurement of contraceptives and other commodities essential to reproductive health must be established. In SAARC, the focus should be on the younger generation of girls who should be provided schooling facilities without exception. That would enable them to avoid early marriages. They should also have access to the knowledge of family planning and restrict the family size. Family planning programmes which are supposed to yield quick results become successful only if higher levels of literacy are achieved.

Almost in all SAARC countries, the major setback in the past has been inadequate coverage and poor field performance of family planning programmes. Decentralized area specific, micro-planning is required for effective family planning. Population control measures must be linked to programmes of female literacy, women's employment, social security, access to health services and mother and child care. In the villages a network of committed, village-based family planning workers, trainees and supervisors could be created. Improving information, education and communication on the impact of birth spacing on infant, child and maternal mortality is also necessary.

Education

The development of education has become a pre-condition for the success of development efforts. It is by far the most effective instrument of social change. Empirical studies undertaken by the World Bank have established that there is a direct and functional relationship between literacy and productivity on the one hand and literacy and overall quality of human life represented by better health, hygiene, sanitation and family welfare on the other. Raising aspirations of higher education (formal and informal) in each sector of society fuels a hope for betterment in all walks of life. Education is the key factor in sustainable development. It is an essential component of well being and a means to enable the individual to gain access to knowledge. Education helps reduce fertility, morbidity and mortality rates, empower women, improve the quality of the working population and promote genuine democracy. Several studies in developing countries have demonstrated that farmers who have access to primary education are more inclined to adopt new agricultural techniques as compared to farmers who have had no such experience.

Illiteracy

In SAARC countries, illiteracy remains a major threat and impediment to the development and well being of society. The high level of illiteracy in most of these countries indicates that adequate resources have not been allocated to primary education. The educational profile of SAARC countries has been presented in Table 6, 7 and 8. While the adult literacy rates have improved, the rate of improvement appears to be miserably slow and the rate of illiteracy remains staggeringly high in all SAARC countries except Sri Lanka. Again the gender gap also remains in place in 1990 as it was in 1970. In terms of gross primary enrollment ratio, most countries have made progress, though not uniformly. Nepal has made great strides, but Pakistan lags behind. Sri Lanka has indeed been far ahead of other SAARC countries in this respect. As in the case of adult literacy rates, the gender gap, remains wide even though countries like Nepal, Bangladesh and India seem to have made some progress in bridging the gap. In Sri Lanka the gross enrollment rates have been high for both girls and boys and even reach 100 per cent during the period 1986–92. Not only have the enrollment rates in primary education been well below 100 per cent in most SAARC countries, the drop out rate has also been considerable. This is reflected in low primary school completion rates in most South Asian countries. The low primary school completion rate gets reflected in the low mean years of schooling of SAARC children. The figure for mean years of schooling is most alarming in Bhutan, being no more than 1/3 of a year; it is less than 2 years in Pakistan, and around two years in Bangladesh, Nepal and India. The performance of Maldives and Sri Lanka is much better. The enrolment ratios deteriorate further as these countries move towards higher education. In secondary enrolment, Sri Lanka has a ratio of 74 per cent followed by India at 44 per cent and Nepal 30 per cent. The ratio is around 20 per cent in Bangladesh, and Pakistan but only 5 per cent in Bhutan.

Table 5

Education Profile in SAARC Countries

In millions

Countries	Illiterate adults (15+) 1992	Illiterate females (15+) 1992	Children not in primary schools (thousands 1992)	Adult literacy rate (%) 1992	Enrolment ratio for all levels (%age 6–23) 1990
Bangladesh	42.3	24.8	4,785	37	32
Bhutan	0.5	0.2	—	41	11
India	271.8	169.3	—	50	50
Maldives	—	—	—	—	—
Nepal	8.1	4.7	1,100	41	41
Pakistan	42.3	24.7	—	24	24
Sri Lanka	1.3	0.9	—	68	68

Source: UNDP—HDI Report, 1994

With the exception of Sri Lanka and Maldives, SAARC countries still have a long way to go before they can be considered as literate society. An extraordinary effort is under way now in Bhutan to provide the necessary infrastructure for achieving universal primary education. In some cases as in Bangladesh it was observed that a little incentive enhanced the literacy levels of the disadvantaged groups considerably. In Bangladesh a scholarship project for secondary school girls given by USAID had almost doubled the female enrolment at the secondary level. In Maldives it appears that the education system is inadequate in relation to professional needs and there is a necessity to expand in the atolls and vocational schools in Male.

Present Educational Structure

Apart from sizeable investment on education, the political will

Table 6

Educational imbalances

Countries	Pupil-teacher ratio		Secondary technical enrolment (as % of total secondary) 1988–91	Tertiary natural and applied Sci. enrolment (as % of total tertiary) 1990	Tertiary students abroad (as % of those at home) 1987–88	Public expenditure on					Ratio of current expenditure per tertiary student to GNP per capita 1990
	Primary 1990	Secondary 1990				Education (as % of GNP)		Education (as % of total expenditure) 1990	Primary & secondary education (as % of all levels)	Higher education (as % of all levels) 1990	
						‘60	’90 1990				
Bangladesh	63	27	0.7	27	1	0.6	2.0	10.3	88	9	0.4
Bhutan	—	—	—	20	—	3.7	—	—	—	—	—
India	47	—	1.6	—	1	2.3	3.5	11.2	71	17	0.8
Maldives	—	—	1.0	—	—	—	9.2	10.0	—	—	—
Nepal	37	29	—	17	2	0.4	—	—	—	—	—
Pakistan	43	19	1.6	—	9	1.1	3.4	—	70	18	1.6
Sri Lanka	29	—	—	42	6	3.8	2.7	8.1	84	13	0.5

Source: UNDP—HDI Report, 1994

Table 7

Education Flows

Countries	First grade in take rate (%) 1990	Primary Enrolment ratio		Primary repeaters (as % of primary enrolment) 1990	Completing primary level (as % of first grade enrolment) 1990	Transition to secondary level (As % of primary completers) 1988	Primary entrants proceeding to sec. schooling (%) 1990	Secondary enrolment ratio		Secondary repeaters (as % of secondary enrolment) 1989–91	Tertiary enrolment ratio (gross) 1990
		Net 1990	Gross 1990					Net 1990	Gross 1990		
Bangladesh	98	69	77	7	47	—	—	17	19	—	3.4
Bhutan	28	—	25	17	—	—	—	—	5	6	—
India	—	—	99	4	62	—	—	—	44	—	—
Maldives	—	—	—	—	—	—	—	—	—	—	—
Nepal	—	61	82	21	—	—	—	23	30	9	5.0
Pakistan	77	—	42	—	48	—	—	—	21	—	2.6
Sri Lanka	99	—	107	8	97	92	89	—	74	11	5.2

Source: UNDP—HDI Report, 1994

and commitment of the government is also required. New structures viz. National Literacy Mission Authority in India, Literacy and Mass Education Commission in Pakistan, National Mass Literacy Council in Bangladesh with wide powers and considerable functional autonomy have been set up and are being strengthened.[3]

Human Capital Formation

Some meaningful information in human capital formation is provided in Table 8 from which it becomes clear that there are wide disparities between countries in the development of human capital. Sri Lanka topped in human capital formation as observed from the high adult literacy rate at all levels, the mean years of schooling in total, male and female, the percentage of graduates at college level in the corresponding age group, although the percentage of science graduates to the total graduates is the highest in India.

However, there can be no social and economic progress for SAARC countries unless illiteracy is wiped out as quickly as possible. They must make a co-operative effort to achieve universal access to quality education, in particular to primary and technical education and job training, eliminate gender disparities in educational opportunities and help promote non-formal education for young people. They have also to introduce and improve curriculam so as to promote greater responsibility towards and awareness of the interrelationships between population and sustainable development; health issues including reproductive health and gender equity. The respective governments, NGO's, private sector and media must become powerful instruments of popularising public education campaigns.[4] (See Table 8).

Health & Nutrition

The health and nutrition indicators of SAARC countries have been presented in Table 9. The increases in life expectancy in most countries reflect significant gains in public health and in access to primary health care services. However, a wide disparity exists in respect of life expectancy as far as Bhutan (47.8) and Sri Lanka (71.2) are concerned. In between we have Bangladesh, Pakistan and India in an increasing order.

Health is greatly affected by water and sanitary conditions and there is an intrinsic relationship between the two. Clean water and sanitation are not accessible to the common people in most countries in the region, though Bangladesh and India have done significantly better in this area.

Poor health condition of mothers leads to the birth of low weight

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[3] Ibid, p. 48.

[4] UNDP, HUMAN DEVELOPMENT REPORT, 1994.

Table 8
Human Capital Formation

Countries	Adult literacy rate (as % of age 15+)			Literacy rate (% of age 25+)	Mean years of schooling (25+)			Scientists & Technicians (per 1000 people)	R&D Scientists & Technicians (per 10000 people) 1986–89	Tertiary graduates (as % of corresponding age group) 1987–90	Science graduates (as % of total graduates) 1988–90
	Total 1992	Female 1992	Male 1992		Total 1992	Female 1992	Male 1992				
Bangladesh	37	23	49	46	2.0	0.9	3.1	0.5	—	0.6	16
Bhutan	41	26	55	—	0.3	0.2	0.5	—	—	0.1	—
India	50	35	64	66	2.4	1.2	3.5	3.4	2.5	—	20
Maldives	—	—	—	—	4.5	3.9	5.1	—	—	—	38
Nepal	27	14	39	39	2.1	1.0	3.2	0.5	—	0.3	13
Pakistan	36	22	49	50	1.9	0.7	2.9	4.0	1.5	—	—
Sri Lanka	89	85	94	96	7.2	6.3	8.0	—	2.2	1.4	12
Canada	—	—	—	—	12.2	12.0	12.4	17.4	3.4	—	—
China	80	68	93	50	3.8	6.3	8.1	—	0.5	4.3	
Germany	—	—	—	—	11.6	11.1	12.2	86	4.7	—	—
Japan	—	—	—	—	10.8	10.7	10.9	11.0	6.0	—	—
USA	—	—	—	—	12.4	12.5	12.3	55	—	—	—

Source: UNDP—HDI Report, 1994

Table 9

Health Profile

Countries	HDI rank	Years of life lost to pre-mature death (per 1,000 people) 1990	Tuber-culosis cases (per 100,000 people) 1990	Malaria cases (per 100,000 people 1992	AIDS cases (per 100,000 people)	Population per doctor 1990	Population per nurse 1990	Nurses per doctor 1990	External aid flows to health (as % of total health expen-diture) 1990	Public expenditure on health		Total expen-diture on health (as % of GDP) 1990
										As % of GNP 1980	As % of GNP 1990	
Bangladesh	146	69	220	50	—	6,670	8,340	0.8	17.9	—	1.4	3.2
Bhutan	162	—	—	11,060	13,110	3,940	3,300	—	—	4.2	—	—
India	135	—	220	260	2,440	2,220	1,100	1.6	0.5	1.3	6.0	—
Maldives	118	—	—	—	—	15,000	—	—	—	—	5.0	—
Nepal	149	67	167	240	—	16,670	6,170	2.7	23.6	0.2	2.2	4.5
Pakistan	132	61	150	60	—	2,940	1,720	1.7	5.4	0.3	1.8	3.4
Sri Lanka	90	14	167	3,150	—	7,140	1,400	5.1	7.4	2.0	1.8	3.7
Canada	1	9	—	—	3.4	450	—	—	—	—	—	—
China	94	—	166	10	—	730	1,460	0.5	0.6	1.3	2.1	3.5
Germany	11	12	—	—	2.1	370	—	—	—	—	—	—
Japan	3	8	—	—	0.2	610	—	—	—	—	—	—
USA	8	11	—	—	19.6	420	—	—	—	—	—	—

Source: UNDP—HDI Report, 1994

babies who suffer from stunting growth. Large segments of population remain at risk of infections, parasitic and water borne diseases. A considerable number of children are suffering from goitre. Respiratory infection is the next most important cause of death among children of South Asia. Every country in South Asia except Maldives has expansive hills and plains which are endemic for iron deficiency. The disease can be easily controlled by universal iodisation of edible salt. Other deficiencies affecting children in SACS relate to vitamin A deficiency, iron deficiency, and protein energy malnutrition. One bright feature is the rapid progress being made in most SAARC countries in percentage of children fully immunised. It appears that the goal of achieving 100 per cent immunisation by the turn of century is attainable in most of these countries.

Health related indicators like number of beds in hospitals, physicians and nursing persons per population section are an important indicator of human development. South Asia provides a sad picture where distribution of medical staff is concerned. When the availability of services in relation to population is viewed, the shortage of medical personnel is a serious limiting factor and it has become an impediment to the expansion of health services. As seen in Table 9 on the Health Profile of SAARC countries, the official expenditure on Health in the SAARC region is minimal. It will also be noted that the per capita calory consumption in all SAARC countries is virtually of the same order, i.e. in the range of 2000 to 2400 calories, below the minimum required of 2500 calories. In the case of Sri Lanka, the average calory intake per head has actually declined over the years as Table 10 shows.

Table 10

Dietary Energy Supply in South Asian Countries 1969–92

Countries	Daily caloric supply per capita					
	’69–70	’70–76	’77–79	’80–82	’83–84	’88–90
Bangladesh	2013	1861	1845	1879	1859	2040
India	2031	1986	2117	2075	2161	2230
Maldives	1684	1979	1852	1994	1992	2400
Nepal	1996	1925	1951	2009	2048	2210
Pakistan	2027	2112	2164	2240	2186	2280
Sri Lanka	2260	2145	2329	2185	2410	2250

Even if resources available are low, large improvements could be achieved in the health of the people in the region, if there is the political, will with a consistent emphasis on preventive measures and curative care. In Sri Lanka, the government has taken a leading role and has been able to raise the standards of health to a relatively higher level. SAARC countries have not yet developed the required accessibility, availability, acceptability and facilities of basic health care services. Sufficient resources should be assigned in South Asian Countries so that primary health services cover the entire population. All seven SAARC countries should reduce mortality and morbidity and seek to make primary health care universally available by the end of the current decade. Governments should ensure community participation in the planning of health policies specially for women, children, the elderly, the disabled and those infected with HIV and other endemic diseases. Access to health care services for all the people, specially for the most underdeveloped and vulnerable groups must be ensured. Governments should seek to make basic health care services more sustainable financially, while ensuring equitable access. This can be done only by ensuring the participation of the richer segments of the society in providing health or higher services for the poorer sections of the society.

Urbanization

Though multidimensional in character, the problem of urbanization has an important bearing on the growth of population. Rapid growth of urbanization is posing serious problems as it requires not only a rise in municipal, education, health, housing and other services but also causes geographical imbalance which in turn triggers off environmental hazards. According to a UN Report on Population and Development," the process of urbanization is intrinsic to economic and social development and in consequence both developed and developing countries are in the process of shifting from predominantly rural to predominantly urban societies. The objective is to foster a more balanced distribution of population by promoting sustainable development in both major sending and receiving areas. Such development should be ecologically sound and promote economic, social and gender equity. Countries should adopt strategies that encourage the growth of small or medium sized urban centres and seek to develop rural areas. In order to develop rural areas, Governments should actively promote ownership of land by the landless. Access to water resources, specially for family units is also of critical importance. They should also make or encourage investments for increased rural productivity.

Table 11 shows the disparities in rural urban gaps in the SAARC region. Bhutan, Nepal and Bangladesh are agricultural and rurally

Table 11

Rural Urban Gaps

Countries	Rural Population (as % of total) 1992	Population with access to services (%)						Rural-urban disparity 100=rural urban parity)			
		Health		Water		Sanitation					
		Rural	Urban '85–91	Rural '85–91	Urban '88–91	Rural '88–91	Urban	Health '85–91	Water '88–91	Sanitation '88–91	Child nutrition '80–92
Bangladesh	82	—	—	—	—	26	63	—	—	41	89
Bhutan	95	—	—	30	60	7	50	—	50	14	—
India	74	—	—	—	—	—	53	—	—	—	—
Maldives	69	—	—	33	100	4	95	—	33	4	—
Nepal	88	—	—	39	67	3	52	—	59	6	—
Pakistan	67	85	100	45	10	55	85	56	18	82	
Sri Lanka	78	—	—	64	100	56	73	—	64	84	85

Source : UNDP—HDI Report, 1994

oriented economies and hence population concentration is more in rural areas. Among the SAARC countries Pakistan has the lowest concentration of people in rural areas. In India also the percentage of population living in rural areas has been gradually coming down. As far as facilities of health, water and sanitation are concerned there is a huge disparity between rural and urban areas. In reducing the rural-urban disparity, Maldives dominates in health and water services while India claimed the first in the provision of drinking water. Sri Lanka stands first in sanitation and child nutrition. The performance of Bangladesh too is considerable in child nutrition.

A certain degree of urbanization is an inevitable consequence of development. Urbanization promotes industrialization and vice versa. In Europe and America industrialization and urbanization go hand in hand. In these countries the industrialization process has been accompanied with a simultaneous increase in social services. This is not true in the case of SAARC countries. Industrialization has spread in South Asia without the right proportion of services for urbanization developing like water, transport, disposal of solid waste, housing, health services etc. According to the World Development Report 1991, urbanization is partly responsible for backwardness of rural areas which do not receive adequate resources due to their diversion to influential urban areas.

The pace of urbanization in South Asia poses great environmental challenges for the cities. The magnitude of slums, unauthorised hutment areas, deforestation, air pollution, and inadequate water supply present a grim picture. The governments of SAARC countries should aim at deceleration of urbanization in mega cities and develop small and middle sized towns as far as possible. Provision of sound agricultural policies, physical and social infrastructure, employment opportunities and policies of education and health in rural areas can slow down the process of urbanization and correct the rural-urban gaps from which the South Asian societies suffer.

Labour Force

Man in himself is a vital resource and the quality and quantity of the labour force available in any country indicates the strength of that country's production potential and socio-economic development. The SAARC region is richly endowed with manpower resources, but the quality of its labour force is relatively poor due to low levels of literacy. The impact of education and training on the quality of labour force cannot be overemphasised. Among the

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[5] World Development Report, 1991.

three sectors of economy, agriculture shares nearly 93 per cent of labour force in Nepal, 92 per cent in Bhutan, 62 per cent in India, 47 per cent in Pakistan, 49 per cent in Sri Lanka and 25 per cent in Maldives (see Table 12). The share of labour force in agriculture is followed by services, while the industrial sector has its share of labour force below 14 per cent in all SAARC countries. Labour force as a percentage of total population is the highest in Bhutan due to the agrarian nature of the economy whereas Sri Lanka had a greater share in the services sector. In the total labour force the share of women is significant in Bangladesh (41 per cent). It is roughly about one third in Nepal and Bhutan and one fourth in India. The lowest share is in Pakistan and Maldives. Considering the sectorwise employment, the share of agriculture has been reducing over the years in most SAARC countries. The high share of labour force in industry in Maldives during 1990–92 was largely due to boat manufacturing, which is considered as an industrial activity. In the services sector all the countries in the region except Sri Lanka have registered an increase though the degree varies from country to country. Since 1965 the percentage share in agriculture in all countries has declined while services and industrial sectors are experiencing an increase in their share of labour force mainly due to rural urban migration.[6] (See Table 12)

Poverty

The SAARC region accounts for nearly half of the world's poor which is reflected in the extremely low per capita income levels and also its low rate of growth. Poverty is basically low real per capita income. Low wages, specially for women, inadequate education, high infant mortality, etc. are all linked to poverty which in turn contribute to high fertility rates and hence rapid population growth. The SAARC region has the highest number of absolute poor (over 400 million) whose income is not sufficient to provide them with even basic amenities of life and they thrive at the edge of survival. In all these countries, a high population of people remains below the poverty line. It is a sad commentary on the state expenditure patterns of South Asia that the expenditure on health and education as a percentage of GNP has been quite low with the exception of Maldives as Table 13 shows. Social security benefits expenditure as percentage of GDP was minimal in South Asian countries when compared to developed countries like Canada, Germany, USA and Japan. (Table 14)

Poverty has some common dimensions. It is more acute in rural

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[6] See Socio Economic Profile of SAARC Countries by T. Nirmala Devi, South Asian Publishers, New Delhi, p. 69.

Table 12

Employment—Labour Force Distribution

Countries	Labour	Women			Percentage of labour force in Industry				Earnings growth rate (%)	
	(as % of total population) 1990–92	force (as % total labour force) 1990–91	Agriculture				Services			
			1965	1990–92	1965	1990–92	1965	1990–92	1970–80	1980–90
Bangladesh	47	41	84	59	5	13	11	28	–3.0	0.60
Bhutan	46	32	94	92	2	3	4	5	—	—
India	38	29	73	62	12	11	15	27	–0.9	—
Maldives	27	20	—	25	—	32	—	43	—	—
Nepal	40	34	94	93	2	1	4	6	—	—
Pakistan	28	14	60	47	18	20	22	33	3.4	6.60
Sri Lanka	41	33	56	49	14	21	30	30	—	1.80
	1991									
Canada	50	—	—	5	—	23	—	72	—	—
China	59	43	81	73	8	14	11	13	—	3.35
Germany	38	—	—	3	—	39	—	58	—	1.80
Japan	52	—	—	7	—	34	—	59	—	2.00
USA	50	—	—	3	—	25	—	72	—	0.70

Source : UNDP—HDI Report, 1994

Table 13

South Asia Central Government Expenditure (as % to total expenditure) occurred in Different Sectors

Countries	Defence		Education		Health		Housing activities social security welfare		Economic services		Other		Total expenditure as % of GNP	
	1972	1985	1972	1985	1972	1985	1972	1985	1972	1985	1972	1985	1972	1985
Bangladesh	5.1	—	14.80	—	5.0	—	9.8	—	39.3	—	25.9	—	9.4	—
Bhutan	—	—	0.45*	—	—	—	—	—	—	—	—	—	—	—
India	—	18.8	—	1.9	—	2.4	—	4.4	—	27.0	—	45.5	—	16.1
Maldives	—	9.0*	—	11.2*	—	—	—	—	—	—	—	—	—	—
Nepal	7.2	6.2	7.20	12.1	4.1	5.0	0.7	6.8	57.2	48.5	23.0	21.5	8.5	19.7
Pakistan	39.9	32.3	1.20	2.9	1.1	1.1	3.2	10.2	21.4	27.8	23.2	25.7	16.5	9.0
Srilanka	3.1	2.6	13.00	6.4	3.6	19.5	11.1	20.2	10.2	37.7	66.2	25.4	32.5	—

Sources : *1986, World Population Data Sheet of the Population Reference Bureau Given in Asia Year Book 1986.

**World Development Report—1987 World Bank, p. 246, Table 23.

areas. The widespread poverty in rural Bangladesh derives from the unequal distribution of land. The experience of India and Sri Lanka shows that low GDP growth makes it difficult to reduce poverty. Reducing poverty requires a much higher level of social investment in social services. The other way out is to add to GDP at a fast pace. In the SAARC regions the GDP per capita grew at a steady three per cent during the eighties and early nineties. To cope with the problems of poverty, illiteracy, health and sanitation, their GDP has to grow at two to three times that rate in the next few years. There should be an emphasis on growth that makes productive use of labour which in turn, should be matched by the expanded provision of social services for the poor. Objectives of high growth through liberalization and decontrol should be judiciously combined with independently targeted antipoverty programmes converting the poor from being mere beneficiaries of these programmes to being partners in development. The pattern should be to generate more work to engage more people to create more wealth for all. (Table 14)

Communication Profile

The information and communication network is not well developed in the SAARC countries. Table 15 gives some indicators on communication networks such as radio, television sets and the circulation of newspapers. A larger number of radios and televisions in relation to population were available in Sri Lanka and Maldives largely due to lower population in these countries. India stands second to Sri Lanka in the supply of televisions. People of Bhutan still do not have televisions. Sri Lanka, a relatively high literacy state has an appreciable level of circulation of newspapers. India's circulation level is lesser than China's though both are populous states. In Maldives a highly literate society in the region, the low level of circulation of newspapers may be attributed to the underdeveloped state of its press.

Trends in Human Development

The share of central government expenditure on social development is low in the SAARC region despite the governments increasing commitment towards social development. In industrial countries, specially France and Germany, the share allocated to social development ranged between 65 per cent and 71 per cent while in Canada it ranged between 44–46 per cent of public expenditure. In Italy it dropped from 75 per cent to 50 per cent and in the US it came down from 50 to 43 per cent in early 1990's. The proportion of total expenditure on social services was very impressive in the ASEAN region, specially in the case of Singapore.

Table 14

Wealth, Poverty and Social investment

Countries	Real GDP per capita (PPP) 1991	GNP per capita (US$) 1991	Income Share		People in absolute poverty			Social security Benefits expenditure (as % of GNP) 1985–90	Public expenditure on		Total expenditure on health (as % of GDP) 1990 (1991 for industrial community)
			lowest 40% of households (%) 1980–91	Ratio of highest 20% of lowest 20% 1980–91	Total (%) '80–90	Rural (%) '80–90	Urban (%) '80–90		Education (as % of GNP) 1985–90	Health (as % of GDP) 1990	
Bangladesh	1,160	220	22.9	4.1	78	86	—	2.1	2.0	1.4	3.2
Bhutan	620	190	—	—	—	90	—	—	3.7	4.2	—
India	1,150	330	21.3	4.7	40	42	33	0.5	3.5	1.3	6.0
Maldives	—	470	—	—	—	40	—	—	9.2	5.0	—
Nepal	1,130	180	22.0	43.0	60	61	51	—	—	2.2	4.5
Pakistan	1,970	400	21.3	47.0	28	29	26	—	3.4	1.8	3.4
Sri Lanka	2,650	500	13.3	11.5	39	46	15	2.0	2.7	1.8	3.7
Canada	19,320	20,510	17.5	71.0	—	—	—	18.8	—	—	9.9
China	2,940	370	17.4	6.5	9	13	—	3.4	2.3	2.1	3.5
Germany	19,770	20,510	19.5	5.7	—	—	—	23.0	—	—	9.1
Japan	19,390	26,840	21.9	4.3	—	—	—	11.0	—	—	6.8
USA	22,130	22,340	15.7	8.9	—	—	—	12.6	—	—	3.3

Source : UNDP—HDI Report, 1994

Table 15

Communication profile

Countries	Radios (per 100 people) 1990	T.V. (per 100 people) 1990	Annual cinema attendance (per person) 1988–91	Daily news-papers (copies per 100 people)	Book titles published (per 100,000)	Printing & writing paper consumed metric	Post offices (per 100,000 people)	Letters posted (per capita)	Tele-phones (per 100 people) 1990–91	Motor vehicles (per 100 people)
Bangladesh	4	0.5	—	0.6	1.0	0.7	—	—	0.2	0.1
Bhutan	2	—	—	—	—	—	5.5	1.89	0.3	—
India	8	3.2	5.0	3.2	1.0	1.9	17.6	16.6	0.8	0.7
Maldives	12	2.5	—	0.8	—	1.9	—	—	3.7	—
Nepal	3	0.2	—	0.8	0.6	(.)	—	1.7	0.3	—
Pakistan	9	1.8	—	1.5	—	1.3	11.5	6.1	1.0	0.8
Sri Lanka	20	3.5	2.3	3.2	14.3	1.8	23.0	26.1	1.0	1.8
Canada	102	6.4	3.0	2.3	—	9.5	—	—	7.8	6.0
China	18	3.0	—	4.2	6.2	4.2	—	—	1.3	—
Germany	90	5.7	1.5	3.9	8.5	13.5	—	—	59.0	41.0
Japan	91	62.0	1.2	59.0	—	104.0	—	190.0	56.0	45.0
USA	212	81.0	3.9	25.0	—	139.0	—	648.0	79.0	74.0

Source : UNDP—HDI Report, 1994

In the SAARC region, expenditure on social services which had a marked share of 39 per cent in 1972, showed a decline of 9 percentage points in 1990. The concern for social welfare was significant in the least developed countries like Bangladesh, Bhutan and Nepal as seen in Table 13. India and Pakistan recorded the lowest share indicating the relatively low priority being given to social well-being. Through its long term planning and investment in social sectors Sri Lanka remained an outstanding example in the region.

It would be safe to conclude that whereas there is a growing realization throughout the SAARC region of the importance of human resources and their development in the socio economic arena, more emphasis must be given to the vital factors considered crucial for human well being by its member states to compete with the rest of the world in its march towards growth and prosperity. The present trends in human development in the region are encouraging but the pace remains dismally slow and needs to be radically accelerated if our societies wish to rub shoulders with the advanced part of the world at least after a quarter of a century further of sweat, toil and tears.

Most of the SAARC countries have reached the peak rates of population growth due to a marked decline in mortality which is not equal to growth rate in fertility. It goes to show that except Sri Lanka population control devices in the SAARC countries have not been very effective. The Chinese experiment in this regard could be a lesson for SAARC countries. While China's stringency in population control cannot be emulated wholesale in democratic countries, some of the devices used by it could possibly be adopted. For example, strict enforcement of disincentives like denial of promotion in jobs coupled with appropriate incentives could be a way out of the population growth syndrome.

Due to high population growth, the SAARC countries would have to have a much higher GNP growth rate if they were to have the same per capita income in GNP as in the rest of the world. They need greater effort in the mobilization of development resources too. Otherwise these countries would not be able to provide the basic needs of food, clothing, housing and health to their people particularly when their population would double again in three decades.

Human Development Index

The Human Development Index developed by UNDP is a composite of three basic components of human development: longevity, knowledge and standard of living. Longevity is measured by life expectancy, knowledge is measured by a combination of adult literacy and mean years of schooling. Standard of living is measured by purchasing power based on real GDP per capita adjusted for the low cost of living. In the HDI ranking for developing countries Sri Lanka (HDI Rank 90) in 1994 had the best performance in the SAARC region. Within the SAARC region, Maldives also fared well as it is close to the medium category. India stands behind Pakistan, and Nepal and Bhutan are at the bottom. The HDI also indicates that these countries have improved in recent years in life expectancy but in areas like higher education, technology information and behaviour productivity, they are still way behind the developed countries of the world.

The study of Human Resource Development of SAARC countries clearly reveals the backwardness of the SAARC region and its impact on health, education and social welfare in general. However, one has to take these calculations with a pinch of salt. It is possible that the true picture is not as grim as these statistics would convey. Sri Lanka's development experience has clearly demonstrated that a low income country can achieve a quality of life comparable to that of upper middle income countries through policy intervention in key socio-economic spheres.

Two reasons were chiefly responsible for the poor performance of SAARC countries—fiscal imbalances and rapid population growth. It is only through effective human resource development that moderation can be brought in population growth and also poverty reduced. Another significant element in the policy package is the acceleration of growth in agriculture and revamping rural development programmes. The agrarian structure characterized by inequalities in the distribution of land and other productive assets with the concomitant unemployment and underemployment should undergo radical changes through land reforms and other measures.

The delivery system has to be made more efficient, responsive and sensitive to the needs of the people. In Sri Lanka an efficient delivery system, and proper state intervention have given promising results. Sri Lanka along with Kerala (India) constitute a model—a model characterized by high degree of social welfare along with low per capita income. (Table 16).

Conclusion

Human Resource Development is an essential base for economic development and an important end in itself.

Although, by historical standards, the progress achieved in many South Asian countries over the past few decades is actually more impressive than often realized, it is not sufficient.

Table 16

Human Development Index

Countries	Life expectancy at birth (1992)	Adult literacy rate (%) (1992)	Mean years of schooling (1992)	Literacy index	Schooling index	Educational attainment (1992)	Real GDP per capita (PPP) (1991)	Adjusted real GDP per capita	Human development index (1992)
Bangladesh	52.2	36.6	2.0	0.37	0.13	0.87	1,160	1,160	0.309
Bhutan	47.8	40.9	0.3	0.41	0.02	0.84	620	620	0.247
India	59.7	49.8	2.4	0.50	0.16	1.16	1,150	1,150	0.382
Maldives	62.6	92.0	4.5	0.92	0.30	2.14	1,200	1,200	0.511
Nepal	52.7	27.0	2.1	0.27	0.14	0.68	1,130	1,130	0.290
Pakistan	58.3	36.4	1.9	0.36	0.12	0.85	1,970	1,970	0.393
Sri Lanka	71.2	89.1	7.2	0.89	0.48	2.26	2,650	2,650	0.665
Canada	77.2	99.0	12.2	0.99	0.82	2.80	19,320	5,347	0.932
China	70.5	80.0	5.0	0.80	0.33	1.93	2,946	2,946	0.644
Germany	75.6	99.0	11.6	0.99	0.77	2.75	19,770	5,347	0.918
Japan	78.6	99.0	10.8	0.99	0.72	2.70	19,390	5,347	0.929
USA	75.6	99.0	12.4	0.99	0.83	2.81	22,130	5,371	0.925

Source: UNDP—HDI Report, 1994

Economic progress cannot do without a firm social basis, and conceptually human resource development is a link that weaves together a host of socio-economic considerations in the formulation of development strategies at national as well as international level.

In view of continuing economic crises and reduced per capita public resources, policy choices of SAARC governments can be as follows:

Reducing inefficiency within the public services and eliminating wasteful use of resources are absolutely necessary.

The development of human capabilities should not be seen an objective with a definite endpoint but as a process continuing in time without end.

Since the scope for the physical expansion of arable land is limited and the capital accumulation is also unlikely to grow fast in the region, it is necessary to look for an alternative for economic development based on human resource development.

Human resource development and equity must go together for a long term impact in the future. In an ocean of poverty, the "trickle down" effect of economic growth will merely act as a drop. Macroeconomic planning and properly targetted pro-poor programmes based on human resource development must go hand in hand.

Under-utilised labour due to structural adjustment and unutilized labourers can be transformed into investments through human resource development which can help to sustain economic growth with labour intensive construction projects.

The role of education in the process of human resource development must be duly stressed by formulating and implementing related plans and policies. A universal programme of school meals would improve the nutrition levels of children, leading to reduced drop-outs from schools and hence to an increase in the quality of education. Because of the importance of family planning in services and in reducing fertility, access to such services assumes special relevance in human resource development. With high birth rates there will be a pressure on food, health, education and other services while low birth rates will result in decreasing the number of children to go to school and mouths to be fed. Thus pressure on different components of the society will be relieved. More attention should, therefore, be given to the accessibility of these vital family planning services.

Programmes for alleviating poverty, reduction of economic and social inequalities, improving productivity, man power planning and training, educational services, health facilities and housing for the poor etc. are viewed as integral parts of human resource development. These may be given proper attention in an integrated manner.

Expenditure on improving human capabilities has the potential to yield a return to society no less than the return from physical capital formation. For example, education has to be a part of a package of measures but rapid expansion of education also poses a problem in terms of unsatisfactory quality. High competition in the job market and jobs through examination has resulted in "degree disease" and "diploma disease" with a high amount of corruption creeping into the procedure and a social ethos emerging that leads to a "marathon race for civil services". These trends will have to be fought tooth and nail and greater emphasis placed on the development of technical skills for the very poor.

Obstacles to human capability expansion—illiteracy, lack of knowledge, lack of confidence, passivity towards the future, also act as barriers to the participation of the individual and groups of society in reordering the socio-economic environment. These should be removed through a public campaign against them.

Some of the obstacles are more amenable to policy than others. Effective role of the government implies providing information and an organizational framework, to ensure that the incentives are right and letting the people do the rest.

Nearly 70 per cent of South Asian human resources inhabit in rural areas where the development situation is far from satisfactory. Therefore, the process of human resource development should begin with intensive rural development programmes as a collective regional approach.

There is a temporal dimension to the alleviation of poverty. Sustained economic growth is crucial to reducing poverty in the long run. The rates at which physical capital and human capital accumulate and technical progress occurs in relation to the growth of population and labour force are among the decisive factors. Target group approach as well as area/social group specific approach at all levels, would yield more positive results.

Women's participation in development processes is very important. Nutrition for women, specially during the pregnancy, no gender discrimination in education and professions as well as proper women development plans will enrich the process of human resource development.

In several areas the process of human development has been hampered by natural disasters such as floods, drought, etc. Proper forecasting methods would help in combating such problems for the well-being of the denizens of the region.

"Unemployment" is a waste of human resource development. The severity of the phenomenon must be realized without any delay so that the number of crimes, and political agitations etc. can be brought down to the minimum level. Unemployment and problems of youth should be given top priority in the entire SAARC region.

Urban-rural migration should be encouraged by assuring the supply of necessary services to those moving to rural areas.

Decentralization of economic activities and basic amenities may apprehend the deterioration of the urban environment, cumbersome to the human development processes.

The migration of professional and skilled workers poses a serious problem for human resource development as a longer gestation period is required in replacing them and the process of replacement creates an additional strain on the whole process of human development. Policies must be formulated to provide better prospects to such people as a disincentive to migrate from rural to urban areas and even outside the national boundaries.

While lowering the rates of population growth is very important, population growth is not the sole cause of the difficulties faced in the process of human development and family planning alone is not a sufficient programme for developing the economy. Human Resource Development is the function of technical progress, capital accumulation and a healthy and qualified labour force. These factors as well as other components of development must be given proper attention.

The leadership in the SAARC countries should be strongly committed to economic growth and human resource development and make sustained regional and national efforts to make development programmes successful. A concerted involvement of elected peoples' representatives, NGO's, private sector and individuals at the grass roots level can build up capacity and self reliance, particularly in the poorest segments of the society, for speedy human development. In this venture, the success of top down macro policies aiming at high growth rates of economy has to be matched by that of bottom-up micro level pro-poor policies in a balanced matrix of development strategy.

Most SAARC countries have succeeded in stepping up their growth rate in recent years through a process of structural reforms and liberalization of their economies. However, spiraling inflation has widened their fiscal deficits which has led to cutbacks in public expenditure in the social sector. To guard against this possibility, the government of SAARC countries should set realistic targets for expansion of their core social sectors.

While most SAARC countries have been able to improve their social indicators, they remain well below those of other developing countries as also below the target set at the 1990 World Summit for Children. Reducing mal-nutritition, disease and illiteracy are among the most achievable as well as the most fundamental of development's challenges.

It is now well recognized that gender disparities stand in the way of balanced human development. SAARC countries should co-operate among themselves to eliminate gender inequality in nutrition, education and employment opportunity but also help girls and women to achieve higher levels of human development. Better health, nutrition and education induces the utilization of family planning services which, in turn, reduces the birth rate, and would ease the the pressure of population on the limited natural resource base. The SAARC countries should frequently exchange their data and monitor progress in each segment of the development paradigm.

Participation at the grass roots level through representative local self-governing institutions is a must for the success of human resource development. Bureaucratic, centralised systems must give place to decentralised peoples' participation to ensure that they have a say in the decision making process and in the delivery system. Building organizations of the poor by the poor and for the poor for the sake of their political and social empowerment is essential. That would ensure their right to resources intended for them, and enhance their dignity and self respect. Collaboration of governments with NGO's could bring promising results as it has been proved in many SAARC countries.

What is required in South Asia is sustainable human development that not only generates economic growth but distributes the benefits equitably; that regenerates the environment rather than destroys it; that empowers people rather than marginalizes them. Such a programme, would give priority to the poor, enlarge their choices and opportunities and provide for their participation in decisions affecting them. It is development that is pro-poor, pro-jobs, pro-democracy, pro-women and pro-children in an area which is so poverty-ridden as South Asia.

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WOMEN IN DEVELOPMENT IN SOUTH ASIA

Development is meant to widen opportunities for all people. Continuing exclusion of women from the many opportunities of life substantially negates the process of development. Growth must necessarily involve a tilt towards gender equality in view of the discrimination women have suffered for centuries at end. As UNDP's Human Development Report 1995 states, "Investing in women's capabilities and empowering them to exercise their choices is not only valuable in itself but is also the surest way to contribute to economic growth and overall development." Empowerment of women is an integral part of the sustainable development paradigm. Our goal should be a "Society where the rule of law prevails over the rule of men, where law gently pushes society to expand outwards at its boundaries, and enlarges developmental frontiers on an operational level to embrace both men and women in an equal measure."* Development policies, therefore, must integrate women into national economies. If women were more freely brought into the formal and informal productive spheres, not only would they make a positive contribution to development; they would also be able to improve their status vis-a-vis men.

The development process must embrace at least three principles:

— Equality of rights between women and men must be enshrined as a fundamental principle

— Women must be regarded as agents and beneficiaries of change

— Equal opportunities and choices should exist for both men and women.

Evidence shows that women's participation is of central rather than marginal importance in the total process of development. However, this is not sufficiently recognized by the SAARC countries which are basically patriarchal societies. South Asian women in general continue to live and work in disadvantageous conditions. Moreover, these countries are agrarian economic structures and hence have relatively higher levels of gender inequality. Nearly 60 million women are "missing" from South Asia. Globally life expectany at birth is 65 years for females and 62 years for males. The populations in which females are treated more equally, there are about 106 females for every 100 males. The real gender discrimination occurs where this pattern is reversed, as in China and South & West Asia, where there are only 94 females for every 100 males. In South Asia there are 93 women per 100 men, fewer than in any other region. That is lower than the rate for all developing countries which is 96 women per 100 men as compared to 106 for industrial countries. About two thirds of adult women are illiterate in South Asia and about 80 per cent of pregnant women suffer from anaemia—the highest rate in the world.

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* Aparna Mehrotra, a UNDP official in her statement to the Association of Latin American and Carreabean Parliamentaries in Sao Paulo, Brazil in May, 1995.

This is not to say that in the last two decades, women in South Asia have not made progress in building capabilities. They have gone a notable distance towards gender equality in education and health although there is much room for improvement yet. That spells hope for the future. Combined female primary and secondary enrollment in the developing world jumped dramatically from 38 per cent in 1970 to 68 per cent in 1992. South Asia reduced the female illiteracy rate from 81 per cent to 67 per cent in the period 1970–1992. Sri Lanka raised adult women's literacy rates to 70 per cent or more, comparable with China's. With improved health and nutritional conditions women's life expectancy in South Asia increased from 49 years in 1970 to 60.2 years in 1992. Planned parenthood has brought women much greater control over their lives. There has been a sharp reduction in fertility rates over the past two decades from 5.9 in 1970 to 4 per cent in 1992. Life choices and opportunities are expanding and women are getting more and more liberated from frequent child bearing and risk of dying at child birth. However, a lot more needs to be done. A wide gender gap prevails among the women in SAARC countries as far as nutrition is concerned. In various South Asian countries the perception particularly is that infant boys are to be fed more adequately than infant girls in poor areas. In Bangladesh 59 per cent of girls and 56 per cent of boys suffer malnutrition and 10 per cent of girls and 7 per cent of boys suffer acute malnutrition. In Maldives, Bangladesh and Pakistan more girls than boys die at a young age. Thus it can be safely said that there is discrimination against the girl child in the provision of health and nutrition. Maternal mortality remains a disgraceful indictment of the developing world. About 1/3 of a million such deaths occur each year in Asia, South Asia being the worst affected. According to WHO, Bangladesh, India and Pakistan account for 28 per cent of the world's births and 46 per cent of its maternal deaths. In South

Asia fewer than a third births are attended by any health staff, trained or otherwise, which could be responsible for the higher rates of mortality at child birth.

Gender disparities in building human capabilities through education, health and nutrition, though significant, are much narrower than the gaping disparities in income earning and decision making opportunities. Of the estimated 1.3 billion people living in poverty on the globe, nearly half live in South Asia with more than 70 per cent being female. This feminization of poverty is the tragic consequence of women's unequal access to economic opportunities. The number of rural women living in absolute poverty rose by nearly 50 per cent over the past two decades in South Asia. So, increasingly poverty has a dictinctly feminine face in this part of the world.

Access to independent income continues to be a distant goal for the large majority of women in South Asia. Even when employed, women's wages are on an average considerably lower than that of men. The reasons for such disparity could be women's concentration in low-skilled jobs and their lack of bargaining power, particularly in the agriculture sector where most women workers are less unionised and organized. The proportion of women in administrative and managerial work is only 3.1 per cent in South Asia as against 27.7 per cent in industrial countries.

SAARC countries have to evolve methodologies whereby women's voices are heard in the corridors of power. Unless women have access to decisions that affect and influence their lives, policies and programmes will continuously fail to integrate women into the mainstream of development. Institutional credit programmes in most countries in South Asia still pursue gender bias specially against poor women. Characteristically, policy intervention in favour of women is being proposed on the implicit rationale that such actions would lead to the control of family, income generation for households and investment multiplier effects for the economy. Economic interventions will undoubtedly help to raise the status of women in society. According to the UNDP Report 1995, gender gaps have narrowed considerably in health and education in this part of the world in the last 20 years, but progress in women's participation in the economic and political processes has been much less impressive. The removal of gender bias and discrimination from the attitudinal, legal and institutional domains of society is also essential. One way to affect this change is to ensure that women are fully and effectively represented in South Asian political processes.

Women and Educational Status

Female literacy has been well recognized as a sine qua non for demographic, economic and social change in a country. Women's literacy has a direct bearing on family welfare measures, fertility decline, better education for female children, better hygienic conditions, intrafamily solidarity and, above all, women's status in society. Two thirds of an estimated 960 million illiterates on the globe are concentrated in only six populous countries—China, Indonesia, India, Bangladesh, Pakistan and Nigeria, the large majority of them being women.

According to the UNDP Report 1995, women's literacy rates have improved in recent years in all SAARC countries for which data was available. However, rural women's literacy rates are lower than men's in all of them. As far as primary education enrollment ratio is concerned, female as percentage of male is the lowest in South Asia. As Table 1 shows, adult female illiteracy is alarmingly high in SAARC countries except Sri Lanka and Maldives.

According to UNICEF (1995 Report), Bangladesh along with Guinea, Morocco, and Senegal have half of their female population illiterate. According to the same source, a staggering 75 per cent of females in the age group of 20–24 are uneducated in Pakistan whereas in Brazil that figure is only 4 per cent.

Education for girls is widely regarded as 'the best single investment' that most developing countries could make. Female education is associated with more opportunities for women, better family health and nutrition, lower maternal and child death rates and lower birth rates. The decision making machinery in the SAARC countries should emphasize on the achievement of economic growth through increasing the productivity of the poor majority in general and the poor majority of women in particular. Strengthening the basic social services like adequate food, clean water, sanitation, primary health care and literacy could help meet the needs and liberate the time and energies of millions of women.

As shown in Table 1 & 2, illiteracy prevails largely among the older age groups as a result of insufficient investment for women's literacy in the previous decades. The enrollment of primary school age girls has increased or is being maintained. There was improvement in the enrollment of secondary-school-age girls; specially in Bhutan and Nepal there was a sharp increase. SAARC countries have shown greater improvement in the enrollment ratios of secondary and tertiary school-age women as well. However, in China the rate of adult female literacy was better than the SAARC countries except in Sri Lanka and Maldives. In 1992, it was 69.9 per cent in South Asia, 81.3 per cent in Brazil and 76.4 per cent in Indonesia. The rate of adult female literacy was strikingly high in the whole of South East Asia and the Pacific, being

Table 1

Women and Education Opportunity

Countries	Literacy			Enrolment Ratio							
	Adult Female Literacy			Primary school age (6–11 years)		Secondary school age (12–17 years)		Tertiary school age (18–23 years)		Female I, II, III level	
	Rate 1992	Index (1970= 100) 1992	Female as % of male 1992	Rural as % of urban 1990	Index (1970= 100) 1990	Female as % of male 1990	Index (1970= 100)	Female as % of male 1990	Index (1970= 100) 1990	Female as % of male 1990	Combined gross enrolment ratio 1992
Bangladesh	24.4	185	51	—	238	86	242	27	243	27	23
Bhutan	25.2	—	47	—	3240	71	3150	42	—	22	—
India	35.2	181	55	—	143	74	205	50	221	50	46
Maldives	92.4	—	100	—	1250	100	—	120	—	—	66
Nepal	12.4	479	32	—	601	55	1005	30	480	30	41
Pakistan	22.3	217	47	—	134	55	246	38	38	16	—
Sri Lanka	85.8	125	92	—	125	100	139	108	152	108	67
South Asia	34.2	203	55	—	150	75	204	60	210	48	42

Source : Human Development Report 1995

Table 2

Closing Female-male gaps

Countries	Life Span		Literacy								Employment	
	Life expectancy at birth		Adult literacy		Primary school age (01–11 years)		Secondary school age (12–17 years)		Tertiary school age (18–23 years)		Economic activity rate (age 15+)	
	1970	1992	1970	1992	1970	1990	1970	1990	1970	1990	1970	1994
Bangladesh	87	100	35	51	48	86	23	50	13	27	6	73
Bhutan	104	107	—	47	6	71	5	42	—	22	52	47
India	97	100	41	55	64	74	44	60	29	50	43	34
Maldives	95	96	—	100	107	100	50	120	—	—	35	30
Nepal	97	98	12	32	20	55	15	47	21	30	52	48
Pakistan	99	103	35	47	37	55	26	44	24	38	11	16
Sri Lanka	103	106	80	92	100	105	108	99	108	37	36	—
South Asia	97	101	40	55	60	75	43	60	30	48	35	35

	Administrative and managerial (% women) 1990	Professional technical and related 1990	Clerical and sales workers 1990	Service workers (% women) 1990	primary school age (06–11 yrs) 1990	Secondary school age (12–17 yrs) 1990	Tertiary school age (18–23 yrs) 1990	Overall enrollment (6–23 yrs) 1990
Bangladesh	5.1	23.1	4.2	46.4	58.0	13.3	1.7	26.3
Bhutan	—	—	—	—	16.2	6.3	0.4	8.5
India	—	—	—	—	67.8	32.6	6.2	37.7
Maldives	14.0	34.6	24.7	12.2	100.0	84.2	0.0	68.3
Nepal	—	—	—	—	43.9	21.1	2.4	25.8
Pakistan	3.0	18.4	2.8	13.9	20.6	10.1	2.2	12.1
Sri Lanka	6.9	49.6	22.1	27.7	100.0	64.3	12.3	61.4
South Asia	—	—	—	—	61.7	29.1	5.4	34.5

Source: Human Development Report 1985

82.1 per cent compared to the SAARC average of 32.4 per cent. That shows the extent of this region's backwardness.

A complex set of factors is responsible for an extremely low rate of female literacy in South Asian countries. An important determinant of female literacy is generally considered to be the level and pattern of economic development and the structure of income distribution in a region. Closely related to this is the degree of urbanization. In underdeveloped countries a good proportion of the female workforce is engaged in occupations such as agriculture, fishery, petty trades, domestic services and other low paid services. They are perceived as not requiring education and hence play a role in perpetuating illiteracy.

The above analysis should leave no one in doubt that South Asia must attach the highest priority to developing and upgrading female education. The concerned governments should aim at the development of the potential of women, specially rural women, to participate actively in improving the quality of life in the region by receiving education in the first instance.

Women and Health Security

In the developing countries including those in the SAARC region, the extremely low income of the majority of the people pushes health care to low priority. As a result, ill health of the masses, particularly females, has been a fact of life. Malnutrition, insanitation, shortage of medical services and above all a negative attitude towards female health have been the main causes of poor health of women in the region. Even though women's life expectancy has increased in all SAARC countries, maternal mortality rate is one of the highest in the world, only next to Sub Saharan Africa. Often the work burden of women exceeds their carrying capacity. The overwhemling preference for the male child and strong attitudinal bias has led to higher number of pregnancies, a factor that needs to be noted by the proponents of demographic control.

Until recently the region had a higher life expectancy for males than females which is contrary to the experience of European and North American countries where females live longer than males. However, in most of the SAARC countries in recent times men and women have approximately the same life expectancy and Sri Lanka has an appreciably higher life expectancy of 74.2 years for females (Table 3).

In the SAARC region, particularly in rural sectors, women were more adversely affected by poverty than men. Thus, women in the poor regions like SAARC face a double burden, i.e. of womanhood and poverty. SAARC countries should, in a concerted effort, lay more emphasis on the importance of attending to the growth, nutritional, educational and other needs of the female child, whether in the pre-school, pre-puberty or the post-puberty age. Investment in the female child would bring much faster and higher rewards, by way of decreased infant mortality rates, higher acceptance of family planning, delayed age of marriage and first births. Rates of maternal mortality display the widest gap between industrial and developing countries. In USA the maternal mortality rate was as low as 8 per 100,000 live births in 1960–92, whereas in South Asia it was as high as 469. In China, too, the female mortality rate was lower than South Asian countries, being 95 per 100,000 live births. China's success of family planning is indicated by the fact that 83 per cent of its female population used contraceptives, higher than even USA where it was 74 per cent in the years 1986–93. Use of contraception was abysmally low in Pakistan where it was only 12 per cent. Percentage of women using contraception was about 40 per cent in India and Bangladesh. The higher use of contraceptives speaks of the measure of freedom women enjoy in decision making in child birth.

Table 3
Women and Health Security

Country	Life span				Fertility		
			Total Fertility				
	Female life expectancy at birth		Marternity morality rate		Women using contra-ception (%) 1986–93	Rate 1992	Index (1970= 100) 1992
	Year 1992	Index (1970= 100)	Per 100,000 live births (1980–92)	Index (1970= 100)			
Bangladesh	55.6	128	600	24	40	4.4	62
Bhutan	52.4	129	1310	—	—	5.9	99
India	60.4	125	460	—	43	3.8	67
Maldives	60.8	125	—	—	—	6.8	97
Nepal	53.0	128	830	—	23	5.4	90
Pakistan	62.6	128	500	—	12	6.2	88
Sri Lanka	74.2	113	80	53	62	2.5	57
South Asia	60.2	126	469	—	41	4.1	70

Source: Human Development Report 1995

At the regional level SAARC countries need to consider ways and means of greater co-operation between their women. Closer intra-regional interaction among women from various segments of the society will help promote a sense of South Asian affinity. Moreover, such interaction would foster exchange of experience in the field of development of their capabilities as a full fledged member of the society. It is necessary that a new organisation is founded as soon as possible such as "*South Asian Women's League*" to promote the welfare of women in the region in all the segments of the society.

Women and Economic Opportunities

Men's activity rates are higher than women's in all the SAARC countries. However, female as percentage of male in administrative, professional, technical, clerical and sales services has generally increased since 1970. The increase in women's participation in these occupations, was in general, positively correlated to country's human development levels. Socio-cultural factors partly account for low female activity in SAARC countries though it is marginally better in Sri Lanka and Maldives. In the SAARC region the family structure is excessively dominated by men generally relegating women to a secondary position. Social practices such as seclusion of women in general and widows in particular, restrict the entry of women into the labour market. The inadequate labour market involvement of women compared to men is closely related to women's overwhelmingly primary role in the household.

In order to fully address the issues related to female participation in economic activity, it is necessary to look into various other factors. The pace and pattern of economic growth, urbanization process, diversification of rural economic activities, crop intensity, commercialization of agriculture and changes in cropping pattern, technological change in agriculture and land water management need special consideration from the standpoint of the uplift of women. In the developed countries like USA and Japan female share in services was as high as 91 per cent in 1990, which spoke for their economic emancipation. The economic activity rate reflects the supply of labour for the production of goods and services as defined by the United Nations system of National Accounts. Relative to men, women are generally more underrepresented in administration and management sectors than in professional and technical occupation. However, it was as high as 67 per cent in USA as far as women's participation in administrative and managerial jobs was concerned and it was as low as 9 per cent in Japan. In Japan like in most countries across the globe including China, Egypt and Brazil, women were generally overrepresented in clerical, sales and services occupations. Data for most South Asian countries in these respects are not available. But in Sri Lanka only 7 per cent women were in administrative jobs, 98 per cent in professional and technical jobs and 28 per cent female as percent of male in sales and clerical jobs in 1992–93. (Table 4).

Women and Political Participation

The ratio of female representatives in Parliament is very low in SAARC countries including Sri Lanka which has the credit of having had the first woman Prime Minister in the world. The modestly better ratio in Bangladesh may be ascribed to the inspiration of two prominent female leaders Sheikh Hasina and Begum Khaleeda Zia. Despite the powerful leadership of late Mrs. Gandhi, the ratio has been poor for women in the Indian Parliament. The number of seats won by women to the Lok Sabha in 1993 was 35 in a house of 504 members and 28 seats to the Rajya Sabha in a house of 245. At the state level the total stands at 44 women elected out of 241 women contestants, as compared to 1,486 men out of 8,415 male contestants. At the national level there was one woman senior Minister and six women Ministers of State deputy ministers in a cabinet of 74 ministers. In the national elections to the Parliament in April-May, 1996 in a house of 543, the people of India elected 36 women to 507 men.

Although late Mrs. Indira Gandhi in India and Mrs. S. Bandarnaike and Mrs. Chandrika Kumartunge in Sri Lanka, Mrs. Benazir Bhutto in Pakistan and Begum Khaleeda Zia and Sheikh Hasina in Bangladesh have demonstrated the ability of women to lead their people, they could not generate enough motivation to improve the situation facing the women folk in their respective countries. It is striking indeed that despite the low participation of females in the political process, the region is still credited with having more women leaders than the rest of the world. However, the share of women at ministerial level was below 10 per cent in all SAARC countries except Bhutan where it was 22 per cent in 1994. Indian women were a little better represented in the political domain than Chinese and Japanese women. However, the position of women in developed countries was much higher generally with USA having 15 per cent of women and United Kingdom 9 per cent in political positions of authority. These figures show the male domination in the entire electoral process with women constituting 5 per cent or less in Parliaments globally. Democracies all around the world have to be tilted much more towards gender equality. The struggle to open up political processes to women by devising effective means of their participation provides an opportunity to vivify democracy itself. However, no data is available on a very important aspect of political participation, viz., voting, due to the practise of the secret ballot. (Table 5).

In the discriminatory world of South Asia, most of the work done by women remains unrecognized and undervalued. Unpaid contributions of women must be recognized. According to the

Table 4

Women and Economic Opportunities

Countries	Occupation									
	Economic Activity Rate (age (15+)		Adminsitrative & managerial		Professional & technical		Clerical & Sales		Services	
	Female (%) 1994	Female as % of male	Female share	Female as % of male	Female share	Female as % of male 1990	Female share (1970= 100) 1990	Female as % of male 1990	Female share (1970= 100) 1990	Female as % of male 1990
Bangladesh	62	73	348	5	392	30	354	4	201	87
Bhutan	42	47	—	—	—	—	—	—	—	—
India	28	34	—	—	—	—	—	—	—	—
Maldives	25	30	—	16	—	53	—	33	—	14
Nepal	42	48	—	—	—	—	—	—	—	—
Pakistan	14	16	—	3	—	22	—	3	—	16
South Asia	29	35	—	—	—	—	—	—	—	—

Source : HDR, 1995

health and increasing literacy. Contribution of women, specially poor women to the economy has to be made more visible and transparent in South Asia. Simultaneous initiatives have to be undertaken for removing the gender bias and discrimination in attitudinal policy, and legal and institutional domains. In the South Asian sub-continent, if poor women would overcome the double burden of gender and equity, their entire family including men and children, would benefit.

Role of Women's Organizations/NGO's in Women's Development

The NGO's, and specially women's organizations, can play an active role in women's development. This can be strongly asserted on the basis of their performance in the past in various SAARC countries. Their successes can become lessons to work out a programme of collective action for women's development under the aegis of SAARC. A large number of NGO's are involved in Bangladeshi women's development programmes specially in the field of family planning and income generation. The government is collaborating with some NGO's like Swanirbhar Women's Programme, Institutional Voluntary Services, Bangladeshi Rural Advancement Committee, Rangpur Dinajpur Rural Services of the Grameen Bank and The Bangladesi Jatiye Mahila Sangstha (BJMS).

In Pakistan the NGO named BUSTI, Women's Action Forum (WAF) and All Pakistan Women's Association are among the women's organizations doing good work. Production Credit for Rural Women (PCRW) in Nepal was initiated by the government. Attempts to raise the status of women to promote alternatives to agriculture have given rise to a multitude of income generating projects by these organizations. In India similar experiments were initiated by women's organizations/NGO's like the SEWA in Ahmedabad and WWF in Madras. The Fund for Women in the Information Sector in India is another such initiative. Women's issues are the same all over South Asia. Sharing of experiences by the NGO's across the borders and identifying strategic policy options as well as implementation arrangements could go a long way in dispelling gender inequality. The NGO's of SAARC countries working for promoting women welfare could get together in a regional effort by way of exchange of expertise and experience in handling the problem of women's development.

Towards Equality

In a vigorous appeal for ensuring equality for women, Aparna Mehrotra, a UNDP official, listed a five point policy action programme at the Association of latin American and Correabean Parliamentarians at Sao Paulo, Brazil, in May, 1995 as follows :

1. Appropriate representation in elected organisations at all levels: Mobilization of national and international efforts to win legal equality within a defined period of time. One can start with 10–15 years as a basic goal, but the sooner the better.
2. Economic and Institutional reform to extend more choices to women in the work place.
3. A national political commitment to and achievement of a minimum 30 per cent presence in decision making positions held by women.
4. Development and implementation of key programs to achieve universal female education, improved reproductive health and credit for women.
5. Targeting and creating programmes that enable individuals, particularly women, to gain greater access to economic and political opportunities.

On the Regional level the SAARC countries should adopt the above five pronged policy action plan for future gender development. In addition some key programmes could be adopted for increasing women's opportunities in South Asia.

Key Programmes for increasing women's opportunities in SAARC Countries

It is obvious that three areas are critical for women's advance: female education, reproductive health rights and access to credit.

(i) Female Education—

Education increases a woman's ability to participate in society and to improve her quality of life and standard of living. It enables her to raise her productivity in both market and non-market work and improves her access to paid employment and higher earning. According to the UNDP Report 1995 an additional year of schooling has been shown to raise a woman's wage by 20 per cent in Pakistan. In India the infant mortality rate in respect of children whose mothers have had primary education is half that of children whose mothers are illiterate. It is essential to formulate national and regional strategies to achieve universal female education over the next 10 years and to earmark enough resources in national budgets to meet this target. A SAARC Women's Primary Education Fund could be created for selective use to promote the concept of universal female education and help its realisation.

(ii) *Reproductive Health Rights*—

The SAARC countries should recognize the truth that access to primary health care facilities including reproductive health services is indispensable to well-being. Reproductive health right releases women from continuous child bearing and child rearing and enables them to participate more freely and more fully in public life. Reproductive health care programmes in SAARC countries should be designed to serve the needs of women including adolescents, and must involve women in the leadership, planning, decision making, management, organization, implementation and evaluation of services.

(iii) *Access to Credit*—

Access to financial resources by low income women is a key factor in the strategy to develop more opportunities for women. Access to productive resources engenders income gain, broader choices, and increased capacity to reshape the society. A well known success is Grameena Bank in Bangladesh which has a credit programme mainly for low income women. SEWA Co-operative Bank in India has enabled women to end their indebtedness to money lenders, encouraging them to save and to develop skills to interact with the formal financial system. SAARC governments could help by fixing annual targets for credit to women, designing special mechanisms to disburse such credit and setting up monitoring systems to measure the progress each year.

Review of Progress in the Implementation of the Plan of Action for Women

At the Ninth meeting in Dhaka on 10 & 11 December, 1994, the SAARC Technical Committee on Women and Development, reviewed the status of the implementation of the plan of Action for Women in Member States and for the observance of 1991–2000 as the SAARC decade for the girl-child as follows:-

BANGLADESH

The Government of Bangladesh had already taken up necessary measures for addressing various issues of women relating to education, health, employment, etc. identified during the Eighth Meeting of the Technical Committee. As a result, the gender gap has started to reduce gradually in different areas particularly in education, employment, health and nutrition, making progress towards the goals of equality, development and peace.

Resourse allocations exclusively for WID Sector increased over the different plan periods, for example from TK.105 million in

1978–80 (Two Year Plan) to TK. 880 million in 1990–95 (Fourth Five Year Plan).

WID is a multisectoral issue. To address individual sectoral issues, focal Points have been identified in 30 Ministries/Agencies. Gender awareness training for the senior level policy makers and planners have been identified. Among others, the training curricula include elements of legal measures for protecting women from various hazardous situations.

Appropriate laws are there to reduce problems of the working women. The major legal measures in this respect are:

(a) Promulgation of the Cruelty to Women (Deterrent Punishment) Ordinance, 1983;
(b) Promulgation of an Ordinance providing capital punishment for acid throwing;
(c) The Family Courts Ordinance 1985.

Enactment of a new law providing for capital punishment for certain offenses of serious nature against women and children is under process.

The Government and NGOs have launched massive programmes for women in the areas of non-formal education, family planning and mother and child health care (FPMCH), skills development and extension of credit facilities to poor women. As a result of these efforts, literacy rate of women has increased from 16 per cent in 1990 to 24 per cent in 1994. The population growth rate fell from 2.8 per cent in 1991 to 1.8 per cent in 1994. Contraceptive prevalence rate (CPR) has increased from 8 per cent in 1975 to more than 40 per cent at present. The maternal mortality rate (MMR) per thousand live births was 4.7 in 1992 as against 6.5 in 1986. Employment of women in the formal sectors has also increased considerably.

As far as the observance of 1991–2000 A.D. as the SAARC Decade of the Girl Child is concerned, Bangladesh has undertaken a number of programmes/projects for the development of children. To improve the situation in the field of health and nutrition the government has extended services upto village level through static and outreach service outlets. Various incentives have been introduced to remove the apathy of illiterate and disadvantaged parents towards child education (especially girls). Primary education has been made compulsory for all. For girls free education upto class X has been introduced outside the municipal areas. Stipends are being awarded to meritorious poor girls. Single girl child is entitled to free education upto graduation level. Under the Food for Education scheme food assistance is being provided to children of poor households to increase enrolment and reduce dropouts in the primary level.

With government policy to recruit 60 per cent female teachers for primary schools most of the primary schools have now a good number of female teachers. It has encouraged parents to send their girl children to school.

Children of Bangladesh do suffer from different types of infectious diseases and also from killer diseases like diphtheria, poliomyelitis, tetanus etc. However, due to continuous advocacy for improved living and preventive measures against those diseases significant improvement has been achieved. Implementation of EPI (Expanded Programme on Immunisation) since 1985 has helped changing the scenario. In 1993, coverage of the EPI programme exceeded 62 per cent of children under the age of 2 years. To control diarrhoeal diseases, both government and NGOs are communicating messages through Health Complexes and media like Radio and Television.

Occurrence of blindness due to deficiency of vitamin "A" is a serious problem in Bangladesh. To prevent blindness, government has initiated distribution of Vitamin "A" capsules. Capsule distribution coverage varies from 49–70 per cent in different areas of Bangladesh. Also, efforts have been undertaken to create awareness among parents for serving yellow vegetables like pumpkin, carrots, red and green leafy vegetables in their children's meal.

BHUTAN

In Bhutan, women constitute 48 per cent of the population. Bhutanese women enjoy considerable freedom and are treated equal to men under the law. There is no discrimination on the basis of gender. Many women play vital roles equivalent to men in the rural and urban economy. In the Civil Service, there is no discrimination in wages, compensation or benefits. The National Women's Association of Bhutan (NWAB) promotes improvements in the socio-economic conditions of rural women and has established several income generating programmes. Training has also been provided to improve technical skills in weaving, knitting and tailoring. Short term credit has been given and market outlets provided through the Handicrafts Emporium in Thimphu (Capital).

In Bhutan, infants and children of both sexes receive equal treatment with regard to nutrition and care. There is no evidence that boys are given special treatment over girls.

At present the infant mortality rate is estimated at around 134 per 1000 live births. The prevalence of water borne and diarrhoeal diseases constitutes major health problems, especially for children. Coupled with this comes the high number of acute respiratory infection. However, efforts will concentrate on control of acute respiratory and diarrhoeal diseases which account for most of the deaths of children under five. The achievement of Universal Child Immunisation in 1991 will be sustained through increased outreach clinics, continued demand generation through social mobilisation and increased health facilities, making it possible to reduce deaths due to diarrhea by 50 per cent, deaths due to acute respiratory infections by 1/3 by the year 2000 and to reduce deaths due to measles by 95 per cent by that year.

While there is no bias in terms of nutrition towards either the boy or girl child, children in some parts of the rural areas face nutritional problems.

In the educational sector, the enrolment of girls in schools is 43 per cent which is one of the highest in the SAARC region as well as amongst the developing countries. Girls enrolment is targeted to be increased to 47 per cent by 1997 and to 50 per cent by the year 2000.

INDIA

India already has a comprehensive National Perspective Plan for Women (1988–2000), which is a holistic plan for the advancement of women in India. The Panchayat Raj Bill was unanimously passed in the Lok Sabha in December 1992. The Panchayat Act is expected to provide constitutional guarantee for basic and essential features including regular election to Panchayat Raj institutions, reservation for schedule caste, schedule tribe and women. A one third provision of reservation for women has been guaranteed. If this is implemented in full 7.95 million women will occupy membership of the three tiers. In some Ministries, Women's Cells have been set up. The national machinery for women is soon to be set up. Some state governments have set up state commissions for women. More women are now present in higher decision making levels. A one-third reservation for women has been made in the local self government institutions in Municipalities and Panchayats. Gender training has started. The access of women to skill development, credit and markets was increasing slowly. Various communication and media materials are being developed. The mean age of marriage of girls has increased to 18.3 in 1991. A dowry law exists and amendments are being proposed. Family Courts are being set up in increasing numbers and a literacy programme is being implemented. NGOs were involved in implementing all these programmes in large numbers. Innovative training and credit programmes are being undertaken and the sensitisation of bank personnel has been initiated, thus promoting the economic empowerment of women.

India has set up an inter-ministerial national coordination committee to oversee the implementation of the Girl-Child Plan. A study is under way in 65 districts in nine states on the subject of adverse sex ratios in those districts. Legislation banning female infanticide has been passed. A multi media campaign for enhancing the image of girl children is being planned. A Central Advisory Committee was set up to study the problem of child prostitution and has submitted an integrated action report. A scheme for the development of adolescent girls is under implementation in 507 blocks. The national nutrition policy focuses on the elimination of gender differentials in nutrition. State Plans of Action have also been prepared by some states. A national study on Girl-Child and the Family has been completed and would form the basis for new innovative programmes for the development of Girl-Children. The area of "Girl Children in extremely difficult circumstances" was also receiving greater attention among policy planners and the society.

MALDIVES

The 1990 census estimates the population of Maldives to be approximately 213, 215 with a growth rate of 3.4 percent for the period 1985–90. Of the total population, 48 percent are women, and the sex ratio for the country is 105 males to 100 females.

Although, women comprise 48 per cent of the country's population, they account for only a fifth of its labour force. Maldivian women do enjoy many constitutional rights, which in a number of circumstances allow them equal status with that of men in society. More specifically, women are legally ensured equal access to education, vocational and professional training, employment, remuneration and in social and development activities. The literacy rate for women stands at a very remarkable figure of 98 per cent.

Even in the presence of certain positive attributes such as equal access to health care and education, Maldivian women are negatively affected by certain factors such as non progressive cultural norms and social expectations.

Constitutionally, women have equal rights in many spheres of life although traditions, norms and stereo-typing bind them down to certain pre-established female roles such as those of housewife and the family member responsible for child care.

Traditionally, the Maldivian woman had been involved in fish processing, small scale agriculture, mat, rope, and cadjan weaving, shell collecting and firewood gathering. However, as time progressed and the economy experienced the effects of monetisation and modernisation, its impact was felt on the women of this society. As the traditional fishing vessel, the mas dhoni, became mechanised and systematised channels were established for collecting raw fish for purposes of freezing and canning, the very significant role the Maldivian women played in the processing of fish declined. As trade, commerce, tourism and channels of communication improved, foreign imports began to replace locally produced handicrafts. These imported products were often cheaper, available in larger quantities and frequently more refined as a consequence of new and improved technology. The competition these imports created once more impacted women adversely. As a result of such imports, handicrafts produced locally began to lose their market edge. As a result of export of raw fish, the task of fish processing was removed from the domain of women, and population increase encroached on hitherto cultivable land.

In the Maldives, a National Plan of Action has been prepared for the Girl-Child. The Girl-Child is treated in the Maldives, comparatively equal to her male counterpart. There is no evidence to support female infanticide nor any discrimination against the female infant or the very young girl in the care by the parents. She is not discriminated against in the access to nor in the provision of available educational or health opportunities. However, in access to higher educational opportunities which are provided away from her home community, she experiences a difference with reference to boys. Parents' reluctance in sending their daughters away from home, even to pursue an educational career, acts as a deterrent in availing opportunities.

NEPAL

A number of women's Cells have been established in different Ministries in Nepal. The Eighth Plan (1992–97) has sought to enhance women's participation in all sectors of development as a policy.

Recently the Government of Nepal has decided to set up a national level Child and Women Development Council which will be headed by the Prime Minister. The Council will provide guidelines to the government and monitor the programmes and activities related to Children and Women Development. For the social and economic development of rural women, the Production Credit for Rural Women (PCRW) programme has been expanded up to 64 districts. The Government of Nepal has emphasised the need to educate girls and women throughout the country. To encourage parents to send girls to schools, government provides incentives to girls from grade 1–10 to ensure the continuity of their education. Thus, every year as many as 42,000 girls are receiving scholarships. Besides, non-formal education for out of school girls is being implemented (Cheli-Beti). To reduce under-five child mortality rate by one-third and to a level of 50 or 70 per 1000 live births, the EPI programme is being launched throughout the country. Also a nutrition programme is being implemented in 35 districts.

PAKISTAN

The work regarding women's development in Pakistan has continued since SAARC came into existence. The country is trying hard to improve the socio-economic condition of women. In this context the following measures have been taken:

(a) Pakistan has declared its Women's Division as a full fledged Women Development Ministry in July 1994.
(b) Establishment of an exclusive Women Development Bank in Pakistan at district levels.
(c) Reserving a special 10 per cent quota for jobs for females.
(d) Training and employment programmes for women. (1000 rural women have been provided training as nannies during July-December 1994 through the Social Welfare Departments).
(e) Enhancement in the relaxation of age limit upto 35 years for government jobs from the earlier ceiling of 32 years.

For improving the legal status of women in Pakistan, the following steps have been taken:

a) Legal aid centres are being established at the district level.
b) Appointment of women judges has taken place already. (The first woman judge of a high court has also been appointed).
c) Setting up of women police stations has been accomplished in Karachi and Islamabad (the purpose being to protect females from the custody of male police staff).
d) Efforts are also being made to increase the number of seats for women in the National Assembly.

Another achievement has been the setting up of the food coupon scheme from Baitul Mal for safe motherhood and nutrition for children by providing them Rs. 150 stipend monthly.

The more focused areas included coordination between women NGOs to work towards environment protection, control of narcotics and awareness regarding AIDS by conducting seminars, conferences and workshops through mobile services of the Social Welfare Training Institute. In this connection 235 programmes have been organised at grass-root levels.

Out of 8000 registered NGOs, 180 are exclusively working for women's development. Loan facilities have been enhanced from Rs. 25,000 to one million for establishing small business units to solve the employment problems of women. Recovery rate of the loans is 99 per cent, which shows the success of the programme. National policies in health, population, welfare education and other social aspects of development are being re-shaped to respond in a conceptually consistent manner to meet the needs of the Girl Child.

Strong motivational campaigns and improved design of educational services are also being devised through media to convince parents to send their girls to schools. A nation-wide school health service is also being introduced to focus on girl-child health problems.

National Child Welfare Commission is implementing its policies in accordance with the latest recommendations regarding "Child Labour". Girl Children with disabilities are being focused to provide education, health and recreational facilities.

SRI LANKA

Action is being followed up to integrate WID concerns through all mainstream development projects. Specific plans and projects are being prepared for identified targets e.g. (a) the Girl child; (b) Women's well-being in re-productive health.

The situation of the Girl-Child in Sri Lanka is less disadvantaged compared to other South Asian Countries. However, the need for interventions has been identified through various studies, broadly categorised as follows:

Unequal opportunities for education and vocational training need for legal reforms; Health Education and Nutrition Intervention; Attitudinal changes (socio-cultural); Special action concerning Girl Children in difficult circumstances.

Taking into consideration the National Plan of Action for Children (Sri Lanka)—1992, the Women's Charter of Sri Lanka—1993 and the resource inputs obtained from a National Seminar, an Action Plan for the Girl Child of Sri Lanka is under preparation.

Conclusion

A vision for the 21st century for the whole world including the SAARC region should include equality of opportunity between women and men as a fundamental concept. Prevailing disparities between men and women should be eliminated creating an environment for the full flowering of the creative potential of both sexes for promoting the welfare of the society as a whole. More doors should be opened to women to participate more equally in political, economic and social opportunities.

In the words of Chandrika Kumartunga, President of Sri Lanka, "Women should occupy centre stage with men to decide the destiny of humanity. We should envisage a state where women will be in the mainstream of the development process,side by side with men, contributing their efforts and enjoying the benefits of peace."

While the Governments and a large number of NGOs in each member state of SAARC are engaged in removing the gender bias from the society improving the status and conditions of living for women and particularly the girl child, there is a crying need for an organisation at the regional level to monitor the impact of the multiple activities, both official and non-governmental and improve the implementation of their policies and plans. The formation of a South Asian Women's League will go a long way in achieving these objectives.

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ERADICATION OF POVERTY IN SOUTH ASIA

Almost a third of the population of developing countries comprising about 1.3 billion people lives below the poverty line today. South Asia alone is the home of some 450 million poor people, more than one-third the world's poor population (See Table 1). Endemic poverty has become the basis and root of numerous ailments that make South Asia the sick region of the world. In the poor societies of South Asia what is at risk is not the quality of life, but life itself. Poverty is the greatest threat to political stability, social cohesion and the environmental health of the planet. Without addressing the question of poverty, South Asia cannot move on the road to sustainable development. The question of poverty, therefore, has to be put at the centre of development strategies in the South Asian region. No matter how much it spends on arms, the liberation from perpetual hunger and poverty is the only way for achieving enduring peace and security. Often, if not always, poverty is at the back of many cross-border crimes in the form of drug trafficking, illegal migration and terrorism. Mass poverty in South Asia tends to reproduce itself and has to be eliminated within a reasonable time frame. SAARC nations are committed to elimintae it by the year 2002 but no effective steps have been taken to that end.

Table 1

People below the poverty line (per cent) in South Asia

All Developing countries	31.0
South Asia	43.0
Bangladesh	93.2
Bhutan	—
India	35.0
Maldives	—
Nepal	12.4
Pakistan	35.4
Sri Lanka	7.0

Source : Human Development Report 1994

Poverty in the SAARC region reflects itself in the extremely low per capita income levels and also in its low rate of growth. The annual growth rate of 3.1 per cent over the last ten years in South Asia has failed to trickle down to the poor. Low wages specially for women, inadequate education, unemployment, high infant mortality, etc. are all linked to poverty which in turn contributes to high fertility rates and thus to rapid population growth.

Table 2

Incidence of Poverty in SAARC Countries

(Other Available Estimates)

Country	R/U	Estimated	Year	Poor as a % of Population
Bangladesh	R	BBS(1)	1985–86	51.0
	R	Rahman	1985–86	47.1
	R	Hossain(1)	1985–86	49.9
	R	BBS(1)	1988–89	48.0
	R	HDR(2)	Around 1990	51.0
	U	HDR(2)	Around 1990	56.0
	T	WB(3)	1988–93	48.0
India	T	NPC(4)	1972–73	51.5
	T	NPC(4)	1977–78	48.3
	T	NPC(4)	1983–84	37.4
	T	NPC(4)	1987–88	29.9
	T	Minhas(5)	1970–71	56.3
	T	Minhas(5)	1983	48.1
	T	Minhas(5)	1987–88	45.9
	T	Expert Committee Rpt(6a)	1987–88	39.4
	R	NPC(4)	1983–94	21.7
	U	NPC(4)	1993–94	11.5
	T	NPC(4)	1993–94	19.0
	R	Sen & Chandrashekhar(6)	1993–94	37.5
Nepal	T	NPC(6)	1976–77	40.3
	T	NPC(6)	1988–89	40.0
	T	WB(7)	1988–89	71.0
	R	HDR(2)	Around 1990	43.0
	U	HDR(2)	Around 1990	19.0
Pakistan	T	WDR(8)	1962	54.0
	T	WDR(8)	1979	21.0
	T	WDR(8)	1984	20.0
	R	Ercelwn(9)	1987–88	16.0
	U	Ercelwn(9)	1987–88	21.0
	R	HDR(2)	Around 1990	31.0
	U	HDR(2)	Around 1990	20.0
	T	WB(3)	1988–93	34.0

Country	R/U	Estimated	Year	Poor as a % of Population
Sri Lanka	T	MPI(10)	1978–79	19.0
	T	MPI(10)	1986–87	27.0
	R	HDR(2)	Around 1990	36.0
	U	HDR(2)	Around 1990	15.0
	T	WB(3)	1988–93	22.0

R=Rural U=Urban T=Total

(1) BBS—Bangladesh Bureau of Statistics Source : "Rural Poverty in Bangladesh—Trends and Determinants", Mahabub Hussain and Binayak Sen, Asian Dev. Review, Vol. 10, No. 1, 1992.

(2) Human Dev Report 1995, Oxford University Press for the NDP Programme, 1995.

(3) World Bank (1995), Social Indicators of Development 1995, John Hopkins University Press, Baltimore, for the World Bank, 1995.

(4) Planning Commission, Govt. of India.

(5) Expert Group (Lakdawala Group) Report, 1992.

(6) National Planning Commission, Nepal.

(7) World Bank Report.

(8) World Development Report.

(9) A.A. Ercelawn (1990) Absolute Poverty in Pakistan : Poverty Line, Incidence, Intensity, Karachi, A BRC (Mimeo).

(10) Sri Lankan Ministry of Plan Implementation (1990) "Strategies for Poverty Alleviation. The Sri Lankan Experiment", Working Paper, presented at the Fifth SAARC Meeting of Planners, March 1990.

Despite gains achieved in the region during the last two decades, mortality rates—infant mortality, under-5 mortality and maternal mortality remain unacceptably high. Large numbers continue to suffer from malnutrition. About 125 million children of school age are not in primary or secondary schools. Over 300 million people do not have access to safe drinking water. Only about 10 per cent of the population have access to sanitation.

The Multifaceted Crisis

South Asian countries are caught in a web of low growth, poverty reproduction syndrome. Some of the reasons of the rising level of poverty have been the mounting pressures of population growth. At the estimated 1.8 per cent annual average rate of the world's population growth, our region of 1.3 billion persons will account for almost a quarter of the world's population by the year 2000. The pattern of population dispersal with over-congestion in cities and urban areas has made it more difficult to implement cost-effective poverty alleviation measures. The region has also witnessed an extensive erosion of its natural resource base and some of the worst natural disasters like floods and droughts. Global warming caused by the green house effect is bound to have serious implications for the coastal regions, the Maldives and Bangladesh being the most vulnerable. The region's growing foreign debt burden leads to greater dependency. The reverse flow of resources—financial, human and natural, from South Asia to industrialised countries has further compounded the issue.

The overall global economic environment, for South Asian countries has become adverse. The SAARC countries share of global trade is also very low. With the emergence of regional blocks in the industrialised west, South Asian countries find that avenues for enhancing their exports are not expanding fast enough.

In most SAARC countries, societies are pluralistic, comprising several cultural, ethnic and linguistic groups. In recent years, resort to violence and terrorism to resolve differences has increased. As a result of these growing conflicts, the SAARC countries are diverting large portions of their public expenditures to non-developmental purposes. The sub-continent's size, its ancient civilization, its share of world's population and potential market notwithstanding, the multifaceted poverty crisis has led to marginalisation of South Asia in the global economy. The numerous crises faced by South Asian nations are related to poverty in one way or the other and the credibility of the state can only be enhanced in the final analysis by developing lasting solutions to the problems of poverty and growth.

Poverty and Social Investment

Thus, the chief task of development is to eliminate poverty. Some progress has been achieved in SAARC countries and the average consumption per capita in real terms, average life expectancy and employment rates have increased considerably. But the gains are unevenly distributed, as a result of which a high percentage of humanity in these countries still lives in acute poverty.

As per the Human Development Report 1994, the real GDP per capita expressed in terms of purchasing power parity ranges from US$ 2650 in the case of Sri Lanka to US$ 620 in the case of Bhutan, with India at US$ 1150, Nepal at US$ 1130, Pakistan US$ 1970, Maldives at US$ 1200 and Bangladesh at US$ 1160. Obviously, the PPP throughout the countries of South Asia being of a low order, minor differences in their purchasing power parity do not count for very much. A very high concentration of poverty is found in Bangladesh followed by Nepal irrespective of urban and rural differences. As a percentage of GNP, public expenditure on education and health is sizeable in Sri Lanka but fairly low in other countries of South Asia. Public expenditure on education is quite high in Maldives and modest in Bhutan and India but quite low in Pakistan and Nepal.

TIMES OF INDIA
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DOES DEMOCRACY HIT THE POOR?

All parties in the general elections swear to eradicate poverty. Yet voters know that any party coming to power will adopt policies targeted mainly at the non-poor.

Central and state governments have instituted hundreds of subsidies over the years. All expert studies show that the bulk of these subsides go to the non-poor. Dr. Kirit Parikh has estimated that barely a fifth of the food subsidy reaches the poor. Up to two-third of educational subsidies go to higher education, which is dominated by the non-poor. The over-whelming bulk of subsidised fertilizer, canal water, rural credit,and rural power benefits non-poor farmers. Subsidies for industry benefit millionaires.

Observers usually ascribe this to the power of interest groups. This is no doubt true to some extent, but I think the problem is more fundamental. I suspect democracy itself is biased against the poorest. Democracy is majoritarian, and the poorest are rarely a majority.

The government says one-fifth of the population is below the poverty line. Others put at it around one-third. Either way, the poor are a minority.

While democracy is majoritarian, minorities count too, since they are capable of forming part of a majority coalition. So democracy will certainly pay some heed to needs of the bottom one-fifth. But it will necessarily pay more attention to the non-poor four-fifths.

In a democracy, the votes of the poor and non-poor have exactly the same value. Indeed, the votes of the richest 20 per cent count for as much as the poorest 20 per cent. Many people think, mistakenly, that democracy is inherently egalitarian. This is not so. Democracy is inherently majoritarian. And the majority in any polity, no matter what its composition, will necessarily include many sections other than the bottom 20 per cent.

Most voters are in the middle of both the income and ideological spectrum, the world over. Save in exceptional cases, elections are not won by the far left or far right. They are won by parties closer to the centre, because that is where most voters are. Indeed, if an extremist party comes within reach of power, it immediately begins to moderate its policies to attract voters in the centre.

When a feudal society first turns democratic, it may have an upper crust of 10 per cent with everybody else at the bottom. Democracy in such circumstances will ensure a speedy redistribution that enables large numbers of poor to rise to the middle. But as people move from the bottom to the middle, the poor cease to constitute the minority, and become a minority. The more poverty alleviation succeeds, the less will be the clout of those who remain poor.

Many thinkers in India urge that the food subsidy should be restricted to the poor; not be hogged by the non-poor. But the politician is concerned with numbers, and knows that all city folk, including the non-poor, regard a ration card as a birthright. It is not politically difficult to exclude the top 10 per cent, who buy very little from ration shops anyway. But consumers in the middle account for up to two-thirds of the population, and no politician wants to antagonise them.

Similarly, non-poor farmers greatly outnumber poor ones. So politicians want subsidies for all farmers, and will not withdraw them from the better-off. The same logic applies to subsidised hospital care or university education. The middle voters have a numerical strength no politician dares ignore.

This is equally true in other countries, rich and poor. A global review by Dr. Emanuel Jimenez says that the richest quarter of the population utilises 51 to 83 per cent of higher educational subsidies in Chile, Colombia. Indonesia and Malaysia, while the poorest 40 per cent utilise only 15 per cent of the money. In Indonesia, the poorest 40 per cent get only 15 per cent of public medical benefits. The story goes on endlessly.

In rich countries, the welfare state was originally aimed at the poorest and unemployed. But democracy gradually ensured that entitlements were not limited to the needy and became universalised. Ironically, left-wing parties (like the British Labour Party) were often at the fore of universalisation. This meant benefits leaked to the non-poor. These are now so large that they are bankrupting several European countries, reducing their ability to cater to the really poor.

Ronald Reagan and Margret Thatcher were both outspoken opponents of the welfare state, yet did little to trim it. Why? Because the welfare state benefits mainly the vast middle class. Neither Mr. Reagan nor Mrs. Thatcher had the guts to cut middle-class entitlements; they simply cut the entitlements of the poor, whose voting power was small.

Poverty has significant regional dimensions. It is more acute in rural areas. Rural poverty is a critical factor in the overall incidence of poverty. The widespread poverty in rural Bangladesh derives from the unequal distribution of land. By contrast Pakistan has fewer farm labourers than own-account cultivators. In India, the households self-employed in agriculture accounted for 35 per cent of poor rural households in the late eighties. In Sri Lanka most of the poor were not originally poor but they were the ones who fled from wars, famines and natural disasters. Fewer services are available to the poor in the SAARC countries than elsewhere as the poor have limited access to credit, capital, technology and other production inputs. In this regard Sri Lanka, and Kerala in India are examples where the governments have succeeded in providing the basic services to a large extent

Inadequacies of the Past Development Response to Poverty Alleviation

Most of the SAARC countries introduced several measures for poverty eradication as early as the sixties but these programmes have not yielded expected results. The inadequacies of conventional developmental paradigms and the resultant patterns of development can be judged from the fact that after four decades of the development effort, the overall rate of growth in the region has remained too low to have a substantial impact on the quality of life of nearly 40 per cent of the people where growth has failed to trickle down and the magnitude of poverty remains staggering. As Sukhomoy Chakravarty has pointed out after a study of the poverty alleviation programmes adopted by India, Pakistan, Bangladesh and Sri Lanka, these programmes would not achieve the desired results with the region's modest economic growth due to rapid population explosion.[1]

In India, the poverty alleviation measures were taken up during the Fifth Five Year Plan i.e. 1974–79. However, the hike in oil prices in 1973 and the consequent problems had shattered the spirit of the measures. Since then the government has been trying to reduce poverty levels by various measures and in the course of time, three policies were formulated, for immediate and effective action, viz.

1. Minimum Needs Programme (MNP);
2. (a) Wage Employment Programmes (WPP) for the poor
   (b) National Rural Employment Programme (NREP),
   (c) Rural Landless Employment Guarantee Programme (RLEGP); and
3. Integrated Rural Development Programme (IRDP).

However, well-intentioned, these programmes did not yield expected results due to various handicaps in implementation.

In Pakistan also the poverty alleviation measures were adopted through programmes such as Rural Works Programmes (RWP) which was replaced by Rural Development Organization (RDO) and the Rural Development Programme (RDP). The RDP was formed by merging of IRDP and RWP. These programmes did not make the desired impact towards eliminating poverty.

In Bangladesh, the Rural Works Programme and the Food for Work Programme (FFWP) were adopted for the benefit of the rural poor and landless population. Grameen Bank Programme introduced in 1978 was successful in giving access to financial resources which was their main contribution in productive employment. Since 1947–48 Sri Lanka had been actively concerned about the welfare of the people and at one time its expenditure on social service was to the tune of 50 per cent of its national budget. The government evolved a delivery system of essential commodities due to which the poor were specially benefited. In the titanic efforts undertaken in South Asia to alleviate poverty, some success examples have been the Grameen Bank and Begum Khalida Zia's Daal Bhaat Programme of Bangladesh; the literacy mission, SEWA and WWF of India, Janasaviya of Sri Lanka; 'Atoll' in the Maldives; the Small Farmers Project in Nepal; the Health Programme in Bhutan and the Aga Khan Rural Support Programme in Pakistan but their contribution in achieving the goal of poverty alleviation has at best been marginal.

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[1] Title of Sukhmoy Chakravarty, "Development Experience in South Asia", Asian Development Review, Vol. 6, No. 1, 1988, p. 23.

According to the Indian Planning Commission, the poverty level in the country had gone down to 19 per cent of the population in 1995. This figure has since been disputed and the estimates of poverty range in India from 20 to 40 per cent. However, even a mean figure of 25 per cent for current poverty levels in India would mark a significant advance. Though it is commendable in itself that a nation that began as 75 per cent poor should now boast of 75 per cent people above the poverty line, one out of every four persons in India would still be living on the margins of existence. In absolute terms that means a chunk of nearly 240 million people.

Lessons for a Strategic Option

According to the Report of the Independent Commission on Poverty Allieviation in South Asia, there are three lessons from these experiences on the ground which help design a bold macro strategy for povery alleviation in the region as follows :

(1) Experience now confirms that poverty cannot be eradicated without the participation of the poor themselves. Any strategy of sustainable development designed with the objective of eradicating poverty has to involve the poor people themselves. The conventional project approach was rather technocratic. Empowerment of the poor through their participation can give the poor greater access to resources and ensure greater equity, too. The informal sector in South Asian countries has enormous potential for generating savings, asset creation, income growth and productive work. Such sources of self reliance and autonomous growth for the poor remain relatively dormant or suppressed.

(2) The experiments of poverty eradication which are on the ground have shown that a "sensitive" support system, is an essential pre-requisite for alleviating mass poverty in South Asia, be it official aid, a banking arrangement, or NGO or

doner based. The States and the regions have to be committed to poverty alleviation above every thing else and provide the political space for the participatory development process to thrive.

(3) A bold, pro poor poverty alleviation process must be set in motion to achieve the objective of poverty eradication within a given time frame. Although it must build upon successful experiences in the region it should also incorporate the lessons of the failed initiatives. In order to be sustainable, poverty alleviation programmes should lead to increases in savings and capital accumulation and therefore to economic growth. The pro poor perspective should focus on capacity building, not just relief or safety nets. It should take advantage of the creative initiatives and enterprise of the poor and to support them further, with the State diverting additional resource to them. Direct participation would become possible only through the establishment of organizations of collective action by the poor. A pro-poor perspective should also create supportive institutions and weave the pro poor plan into the overall development patterns and plans of each country.

The Macro-Economic Framework

A most favourable environment would be one of rapidly rising income growth which directly benefits the poor. Various available studies like UNICEF's Adjustment with a Human Face have come up with recommendations for protecting the vulnerable while promoting growth. A growth strategy based on high employment, efficient productivity and appropriate human resource development would ensure faster results in poverty eradication in a given time frame in South Asia if steady growth rates of well above 7 per cent are achieved in the states of the region. But that is not going to be enough to penetrate the mass of poverty that stalks the region. There is a need to stimulate small farmer food production and small scale, decentralised agro based labour intensive industries in the rural areas. Both these policies have the added advantage of helping the poor to join the mainstream.

Savings : Transforming Labour into Capital and Investment

Another important measure of poverty eradication could be mobilising the savings of the poor themselves and help them keep the surplus in their hands. South Asian countries should try to transform labour into capital. Combined with proper organisation it can help unleash new forces and lead to efficient asset creation. Providing confidence in financial instruments is a task that could be handled by sensitive support mechanisms. Many organisations such as the Grameen Bank, SEWA, etc, have succeeded in generating large savings by the poor with a small support from outside. What is needed is a set of measures that will increase the productivity of investment opportunities available to the poor and enable maximum utilisation of their human resources and specially the transformation of labour into capital.

The Cultural Dimension

South Asian culture is rooted in 5000 years of history. In order to fight the war against poverty South Asia needs to rediscover its values of sharing, caring, trust and mutual respect, simplicity and a frugal if not austere life style which has characterised its civilisation through the ages.

In a pro-poor perspective, strategies, policies, programmes and actions have to be built upon the culture and values of the poor themselves as far as possible. Poverty alleviation strategies must enable the poor to articulate and defend the values without which life itself will not be worth living. The leadership of South Asian countries must guarantee to the poor, specially the vulnerable classes like women, the right to participate in all decisions that affect their lives. Empowerment of the poor and specially poor women is very essential.

Development Framework for Poverty Alleviation

The development programme for poverty alleviation should thus focus on four elements, namely, social mobilisation, intensive agricultural development, small scale industrialization and human development.

(i) *Social Mobilization*

The centre piece of a policy framework for poverty alleviation has to be the mobilisation of the poor in order to enable them to participate effectively in the decisions that affect their lives as already stated. Successful programmes of social mobilisation must revolve around identifiable communities of the poor—village as a unit of development in rural areas, settlements of the poor in urban areas and special groups such as women, ethnic minorities, children and other noticeable disadvantaged groups everywhere.

The social mobilisation effort for poverty alleviation must be based on entry points that are the key to poverty eradication—food security, literacy and primary education, health, shelter, credit, productive infrastructure and employment. The strategy would be to establish support mechanisms that have catalysts, animators and facilitators who would work with local communities in areas where the poor live and bring to them information on collective action. There are already many fine examples of such work which would need to be multiplied.

(ii) *Agricultural Development*

Most of the poor in South Asia live in rural areas and depend directly or indirectly on agriculture. Food sufficiency is not only an important component of survival but also contributes to the basic dignity and well being of the poor. South Asian strategy in agricultural development should be one of decentralised production, meaning that a breaktghrough in productivity should be attempted in all regions and not in a few specific products. Without the Green Revolution, poverty elimination in India could not even be thought of. Next, it should be ensured that fruits of increased productivity are widely and more easily shared. Where areas under irrigation are limited, research must be directed towards evolving drought resistant seeds and dry land farm practices. Productivity of coarse grains should be stressed for they are the staple food of the South Asian poor and also the cheapest. An effective public distribution system should be put in position to supply food grain and other essential commodities specially to the poor. Increased food supplies at local levels at affordable rates can help ensure an acceptable level of food security and nutrition. In addition, supporting institutions are needed to ensure that these policies are implemented effectively. As the Report of the Independent South Asian Commission on Poverty Alleviation mentions, local institutions can also help ensure that the backward, forward and final demand linkages of intensive agricultural development are contained within the region in order to produce the maximum multiplier effect in secondary and tertiary sectors.

(iii) *Decentralized Labour Intensive Industry*

The third element is the designing of a policy for small scale, labour intensive industrialization. This policy is needed to absorb the employed and underemployed poor, including the poor youth, into productive activities. Local governments and local community organizations have to be mobilised for the success of decentralised small scale enterprises. Strong and effective local institutions of governance and arbitration would also help in protecting the rights of individuals and groups and in the dissemination of technology and information. This points to an efficacious Panchayat system with a pro-poor bias rather than as a custodian of the interests of the well-to-do.

(iv) *Human Development*

An essential component of the poverty alleviation strategy is human development. While ensuring the availability of and access to basic needs and services such as food security and nutrition, health services and primary health care, primary education and shelter, its scope has to be extended to include access to income and employment opportunities and to full participation in social, economic and political activities.

Thus, a historic shift is needed in the approach to break the vicious cycle of poverty. It is important to note that the Independent South Asian Commission on Poverty Alleviation had elaborated five interrelated priority areas for action in this regard, namely:—

(a) *Food Security* (Daal Bhaat)
(b) *Literacy & Primary Education*
(c) *Primary Health Care*
(d) *Shelter for the Poor*
(e) *Protection for the Child*

(a) ***Food Security***

Today the right to be free from hunger and undernourishment is widely recognized as a universal human right and it is imperative that the states of the South Asian region recognize and uphold this right and commit themselves to its realization. Chronic hunger leads to a cycle of ill-health, low earning levels and indebtedness. South Asian thinking on poverty should move away from the delusion that production guarantees availability of food for the poor. South Asia should concentrate on increased, decentralised food production, emphasizing research into and application of technologies relevant to the deprived geographical areas and nutrition sources, like coarse grains and traditional food, that are relevant to the poor. Organisations of the poor, by the poor, for the poor should ensure that the delivery system is not only leakage-proof and corruption free but one that would permit the poor to assert their right to food and promote higher levels of health, employment and wages.

Within the SAARC countries India has a large Public Distribution System (PDS) which involves procurement and distribution of around 20 million tonnes of food grain, as well as kerosene and sugar through 350,000 fair price shops. In the Jawahar Rozgar Yojana initiated in 1978 the government has built a food grain component into the real wage of the participating poor at the rate of 2 Kg of grain per man day. In addition to household food security, the Integrated Child Development Services programme covers about 2600 blocks in the country, where supplementary nutrition is provided to pregnant and nursing mothers and pre-school children below 6 years. In Tamil Nadu, a big mid-day meal system to support school children was started which has now spread to several parts of the country under incentives provided by the Central Government. Sri Lanka recognized food as an essential element in poverty alleviation as far back as 1952 when the food subsidy scheme was introduced to cover the whole country. This scheme gave way to the food stamp scheme in 1979 under which only households whose declared incomes were less than a specified level received food stamps.

However, the food stamp scheme has faced severe strains due to liberal targeting, rising inflation, fiscal deficits and balance of payments difficulties. The scheme had, therefore, been supplemented in Sri Lanka by the Janasaviya Programme which attempted to wean away the poor from dependence on food subsidy to a participatory growth and income generating process based on people's strength and creativity. In that programme, human development was linked to the production component of welfare schemes with access to credit from the formal banks for self-employment ventures by the poor. However, the gaps in its planning and fulfilment need to be overcome.

Bangladesh, too, believes that empowerment of the poor at the local level is a prerequisite for the success of a programme of poverty eradication. That constitutes the essence of the Bangladesh "Daal Bhaat" initiative that sought to provide the basic nutrients of rice and lentils to the poor. To implement the right to food, non-governmental organizations and organizations of the poor have also been mobilized. Organized groups of poor women undertake these activities in significant volumes and their contribution to the household economy and country is being recognised more and more.

However, there is considerable scope in all the countries of South Asia to build on scattered experiences and apply successful formulae evolved locally in various parts of the region more universally with relevant changes. It is necessary to carry out fast studies on their successes and failures with a view to determine the future course of action.

(b) ***Primary Education***

Education is the primary means of improving overall human development and lessening human deprivation. Education is perhaps the best investment in social development because educated people are likely to be more socially conscious, more productive and therefore more conducive to a country's economic growth. In strategising meaningful interventions to achieve universal elementary education, it is necessary to build on a micro planning process which will operationalise the following :

— advocate a total social mobilisation for universal literacy.
— emphasize female literacy.
— increase community participation and localisation.
— emphasize pre school activities for children to develop cognitive skills.
— locate schools closer to communities.
— lower both direct costs and opportunity costs of parents.
— develop relevant curricula based on the needs of the poor and bring out traditional knowledge systems.
— promote decentralisation.
— reorient and strengthen local level administration and the resource support system.
— support multiple delivery systems and receiving mechanisms in the form of organizations of the poor whereby formal schools are supplemented by non-formal training centres and electronic media alternatives.

It is essential that the compaign for Universal Elementary Education be made to succeed if the struggle of the poor against various dimensions of poverty is to emerge victorious.

(c) ***Primary Health Care***

The historic World Health Conference in 1978 in Alma Ata took stock of the health situation round the globe with a sharp focus on those who were less fortunate. All the South Asian countries are signatories to the Alma Ata Declaration. The Alma Ata Declaration set the goal of "Health for all by the year 2000" (HFA) through the Primary Health Care approach. In South Asia the focus has shifted to "Health for the Underprivileged." This approach has a vision of using equity and social justice as its foundation and community participation as methodology. Except for Sri Lanka and Maldives where over 90 per cent of the population have access to health services, other South Asian countries have figures below 65 per cent. The SAARC countries can learn from the successes of the Baldia Home Schools in Pakistan, the Working Women's Forum in Madras (India), the Janasaviya Programme of Sri Lanka, Bangladesh Rural Advancement Committees intervention in health, the Grameen Bank of Bangladesh, the Production Credit for Rural Women (PCRW) programme of Nepal and the Janakhet Project of India. All these programmes and organisations have taken the health of the poor as an integral component of their savings, credit and income generating activities. These programmes are illustrative of an adopted "bottom up" approach where the poor participate in their own health care. These prove that when the poor organise themselves they can assert the right to services intended for them and that social and economic development can be combined in the interest of the poor by mobilising, conscientizing and organizing them. The support mechanism for such health schemes can be a government agency, a bank or a non-govermental organisation.

A distinct new thrust is essential if health for the poor is to be realised in South Asia. Externally preconceived packages are not appropriate. The poor themselves should improve their health status as part of a total process of capacity building at the micro level for increasing savings, creating assets and ensuring sustainable development. Cheaper treatment methods, larger outreach and evolution of indigenous technologies for better health can be achieved through decentralisation and community participation by the poor themselves. Emphasis needs also to be given on organisation, mobilisation, and communication on health and sanitation to arrest potential illnesses through promotion of healthy life-styles amongst the poor.

(d) ***Shelter for the Poor***

The Colombo SAARC Summit Declaration of December, 1991 contains an unambiguous policy position on shelter on which there was a consensus among all SAARC countries. It particularizes key operational areas as follows :

"In this role, they should be involved in the provision of affordable sites with secure tenure, making housing finance available on an affordable and sustainable basis, providing infrastructure development such as water supply and sanitation, energy and waste disposal, removing constraints to building activities and creating maximum opportunities for public participation in decision making and management of shelter activities in the overall context of poverty alleviation."

The overall macro and micro context for these shelter processes is poverty alleviation. The use of shelter as an "entry point" for poverty alleviation includes a number of outstanding and innovative success cases which can be used for a common SAARC initiative. Bangladesh's Grameen Bank's Rural Housing Programme, Kerala State's Housing Programme and the Bombay Pavement Dwellers Project in India, Pakistan's Orangi Pilot Project, the Hyderabad Plot Regularisation Project and Sri Lanka's Million Houses Programme, all set a fine example of what can be done for the poor given the dedication and the commitment to provide shelter to the poor.

However, the Governments by themselves cannot provide shelter for all. The people, rich, not so rich and poor, need to be involved too. What is urgently needed is for governments to clearly articulate macro policies which would create a facilitating environment for many diverse initiatives to be taken at micro level. The private sector also has to be attracted. Most significant here is the factor of convergence between poverty alleviation and shelter. A concerted effort within the framework of SAARC could go a long way in strengthening the pro poor initiatives in the shelter and environment fields.

(e) ***Protection for the Children***

There are 410 million children in South Asia who make up a quarter of the world's children. The Governments of South Asian countries have pledged to co-operate with each other in the region for the survival, development and protection of the South Asian Child as an integral part of their efforts at improving the lives of the people of the Region. They have accepted close links between child's rights and poverty eradication. The goals for children can be achieved in quality and in time if the institutional arrangements, organizational requirements and resource commitments are more specifically identified and better assumed, in a joint endeavour by all segments of the society within each country and between the countries of South Asia.

These are the broad dimensions of a strategic policy thrust for poverty alleviation. The centre-piece of the strategic thrust is the establishment of participatory community organisations of the poor. In addition to facilitating the transition, persistent and endemic poverty on the scale found in South Asia demand complementary measures such as more efficient and outward looking market economies and establishment of sustainable links between the very poor and the larger economic system with its mainstream public and private institutions.

No country has managed to reduce poverty without strong economic growth. However, growth in South Asia must be broadly based, labour intensive and sustainable if it is to have an impact on poverty. A World Bank Workshop held in 1994 on the subject came to the conclusion that while poverty reduction cannot be achieved overnight, with the right priorities and better government expenditure programmes, much could be achieved as East Asia has demonstrated. Now that every country of the region has a democratic leadership, the climate is right for the emergence of a strong complementary working relationship between government and NGO's engaged in the task of reducing poverty in the region. In some South Asian countries a productive government-NGO relationship has yielded promising results as discussed earlier. The weakness for grand, massive projects which promise much and achieve little for the poorest people will have to be changed in favour of projects and programmes that can more immediately take long delayed benefits to the poor and neglected sections of society.

The magnitude and complexity of the problem of poverty in South Asia is so staggering, it puts democracy at risk, and poses a threat to the very fabric of South Asian Societies. The Structural Adjustment policies, which accompany the open-economy-fast-industrialisation strategy currently being adopted by most SAARC countries may alone not bring relief to the poor, particularly in the short run. They obviously need to be supplemented by properly targeted pro-poor programmes. There is a need to take a critical look at the methodology of poverty assessment and the available statistics and assess their weaknesses in reflecting the real magnitude of the problem.

New experiences of past two decades show that where the poor participate as subjects and not as objects of the development process, it is possible to generate growth, human development and equity. So, building organizations of the poor is an essential pre-requisite of poverty alleviation. Through such organizations the poor can save and invest efficiently. Participatory monitoring and evaluation have to be built into the process, so that self-corrective action can take place as the process evolves.

The Independent Commission for Poverty Alleviation in South Asia established by SAARC thus rightly concluded that the open-economy industrialisation front and the poverty alleviation front have to develop two parallel strategic thrusts, having longer and shorter term time frame which can be harmonised as the two processes evolve. Poverty alleviation would involve a doubling of GDP per capita during a ten-year period. This means a GDP growth rate of 9 per cent per annum for the region, an ambitious target, but achievable. It can build upon the growth rate of 3.1 per cent in the 1980's, and 4.5 per cent in the 1990s so far which were achieved under very adverse conditions.

Each SAARC country should appoint a national commission for poverty elimination. That would manifest an explicit political commitment of the leadership on the part of SAARC countries. That should also ensure the fullest participation of the poor in the process of development. It is encouraging to note that at the eighth SAARC Summit at New Delhi in May 1995, the SAARC countries have reiterated their commitment to eradicate poverty in their respective countries by the year 2002 for which a consensus was reached at the Seventh SAARC Summit at Dhaka. More specifically, that would involve each SAARC country drawing up a national Pro-Poor Plan in parallel with the Open Economy Strategy at the macro level and initiate a Social Mobilisatrion process at the micro level, for eradication of the worst forms of poverty in half a decade from now. This Pro-poor plan has to be based on the assumption that the poor are efficient and can contribute to growth. The greater part of the poor do not need to be passive recipients of relief, welfare or social safety nets. The experience gained and progress achieved with pro-poor planning and the micro level social mobilisation that goes with it, should be shared among the SAARC countries in a process of experiential learning. Progress should be reviewed at every SAARC Summit.

It is also necessary for SAARC countries to have a strong monitoring mechanism to eliminate poverty. For this each country should establish a network of POVERTY WATCH centres. In rural areas this work could be entrusted to village panchayats or block development units. NGO's could be brought into the system where official agencies are not available for the purpose.

The whole mechanism requires going beyond conventional development paradigms, research methodologies and capacities, and not merely implementing old development paradigms more efficiently. The Meeting of Finance and Planning Ministers in 1994 in Dacca and at New Delhi in 1995 helped to identify the further operational steps that need to be taken at the macro and micro levels for a more vigorous and focused follow-up of the SAARC decision on poverty eradication. Inter alia, they emphasised the need for more innovative research and support for the development of independent research capacity by South Asian scholars, non-governmental institutions and networks on issues relating to poverty eradication. They also encouraged the exchange of research results among members of South Asian countries. Their recommedations need to be followed up without any further loss of time. Moreover, the Poverty Commission should meet again to evaluate the situation and suggest necessary steps to meet the challenge of poverty on a war footing.

In January 1995, a group of scholars, professionals and NGO's, as well as some Members of the Poverty Commission reviewed the official follow-up dialogues. They drafted a "Call to Action" for more vigorous implementation of SAARC's decision on Poverty Eradication by the year 2002. They also endorsed the establishment of an independent policy research network for poverty eradication through pro-poor planning and social mobilisation.[2] Such efforts need to be repeated as part of the mobilization of the entire social fabric of South Asia to eliminate poverty and change the face of South Asia within this century if possible but no later than a decade from now. The question simply is whether South Asians want to enter the twenty first century with dignity and self respect or as the sick and downtrodden of the earth. The choice is ours—we the one-fifth of mankind.

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[2] The group now calls itself SAPNA (South Asian Perspectives Network Association). Its vision is poverty eradication in South Asia. The author is a member of its core group.

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TOWARDS A SOUTH ASIAN ECONOMIC COMMUNITY

Introduction

The inception of the South Asian Association for Regional Cooperation in 1985 was an important landmark for the South Asian region and its people. Most of the countries in the region are under-developed, although the region is rich in many resources. Like the European Economic Community, SAARC can take a coordinated strategy of development which will help in realizing the potential of all its member countries and thereby benefit all. In fact, the cardinal objectives of SAARC are acceleration of economic growth, social progress and cultural development in the region; promotion of active collaboration and mutual assistance in the economic, social, cultural, technical and scientific fields, and strengthening of cooperation among member states in international forums on matters of common interest. Thus, regional cooperation is the main plank of the platform on which SAARC works as its very name signifies.

After more than a decade of SAARC's coming into existence, one finds that though the process of cooperation in the region has been inititated in diverse fields and many directions, the pace of cooperation has been generally slow and the feeling prevails that it should have been much faster. A close scrutiny reveals, however, that it was bound to be slow. It involved the task of harmonizing the varied interests of the partners and managing jointly several complex factors that are both economic and non-economic in nature including legacies of a colonial past and the trauma of the partition of the subcontinent. That was followed by a number of bilateral conflicts some of which are yet to be resolved. Notwithstanding these constraints, the fact remains that SAARC has established its identity as a regional grouping. Awareness about the advantages of cooperation and the costs of non-cooperation that has been slowly but surely emerging among the peoples of the SAARC region is indeed a positive factor, portending brighter prospects for enhanced meaningful cooperation. During the last ten years, SAARC has successfully initiated, through small steps, the Integrated Programme of Action (IPA) in the twelve agreed areas of Agriculture, Education, Health and Population Activities, Meteorology, Postal Services, Prevention of Drug Trafficking and Drug Abuse, Rural Development, Science and Technology, Sports, Arts and Culture, Telecommunications, Transport, and Women in Development. These are broad areas of cooperation selected by SAARC, in the framework of IPA under social, cultural, technical and scientific fields. However, since economic cooperation lies at the heart of regional cooperation, we must look into the prospects in that field in the context of SAARC. It would be difficult to disagree that expansion of trade is the foremost objective in any scheme of regional economic cooperation. This is because trade can be used as an engine of growth by the concerned countries. It is an area of common interest and vital concern to the people of this region as elsewhere. We, therefore, need to focus our study first on SAARC trade, its problems and prospects as also take a look at the manufacturing and service sectors from the viewpoint of enhancing cooperation towards forging a SAARC community. In order to do that we must do a quick survey of South Asian economies.

The State of South Asian Economies

The macro-economics of the SAARC region are characterized by a wide diversity of experiences in growth and structural changes. The period prior to the eighties has been one of sluggish growth and slow pace of structural changes. The eighties and the more recent period of the nineties seem to have injected a new economic dynamism in the countries of the region. That is because all the SAARC countries have initiated economic reforms characterised by liberalization, privatisation and globalization. The average growth rates for the eighties had been in the range of 4.3 per cent to 7.6 per cent in the region with the exception of Sri Lanka with a very low growth rate of 2.2 per cent and the Maldives with a very high growth rate of 11.8 per cent. It was during the eighties that most of the economies of the region started the process of rationalising their policy regimes. This process has been further strengthened in the nineties which has also coincided with significant structural changes in the world economy.

In the new policy framework, stabilization and structural adjustment have assumed special importance. The experience of the period since 1990 deserves special attention in this regard. The SAARC region was in a rising phase of growth during the '60s. It got temporarily suspended in the subsequent decade due to the oil crisis in 1973, but resumed in the eighties. With the introduction of full-fledged economic reforms in the early nineties, the region has made significant progress during the first half of the current decade and the pace of growth has picked up in the middle of the '90s. Most of the countries in the region achieved a striking growth rate of nearly 6 per cent in 1993–94 with the sole exception of Pakistan. Nepal recorded a high growth rate of 7.8 per cent in 1993–94 after sluggish performance in the previous years, thus showing signs of recovery.

The SAARC countries constitute nearly one-fourth of the total human race. In 1991 India had a population of 866.5 million, followed by Pakistan (115.8) and Bangladesh (110.6). It is one of the most densely populated areas of the world. The per capita income of the countries in the South Asian region is very low compared to the developed industrial market economies. (Table 1)

Table 1

Population and Gross national Product in SAARC Countries

1991	POPULATION		GNP		
Country	In Million	%age Share in the Region's Population	In billion (US$)	%age Share in the Region's GNP	Per Capita (US$)
Bangladesh	110.6	9.78	26.3	6.94	220
Bhutan	1.5	0.13	0.3	0.07	190
India	866.5	76.61	290.4	76.68	330
Maldives	0.2	0.01	0.1	0.02	470
Nepal	19.4	1.71	3.7	0.97	180
Pakistan	115.8	10.24	49.9	13.00	400
Sri Lanka	17.2	1.52	8.8	2.32	500

Source: World Development Report 1993 and Human Development Report, 1995.

The average growth rate of per capita income in the SAARC countries is much lower than the similar index for developing countries as a whole. This can be explained by the low growth rate of GDP coupled with high population growth in these countries.

Let us look at an important indicator of the development process i.e. change in the composition of gross output and income. Some SAARC countries have witnessed significant changes in the sectoral composition of economic activities. The share of GDP originating in agriculture has consistently gone down in all countries of the SAARC region during the period 1965–93. The agricultural sector in Bangladesh and Nepal contributed more than half of the GDP in 1965 (i.e. 53 per cent & 65 per cent respectively). The position of the sector in Sri Lanka almost remained unaltered in 1993, while for Nepal it has gone down to 43 per cent of GDP. In 1993, the contribution of the sector was one-third of GDP in Bangladesh and India (30 per cent and 31 per cent respectively) and about one-fourth in the Maldives, Pakistan and Sri Lanka (around 25 per cent).

As compared to the world including many developing countries, the contribution of the industrial sector to GDP in SAARC countries is rather small. In the period 1965–93, the contribution of the industrial sector has increased but only marginally. The average contribution in this sector was 17 per cent in 1965, with India leading the table at 22 per cent, closely followed by Pakistan (20 per cent) and Sri Lanka (21 per cent). The situation in 1993 improved a little, with the average contribution of the sector increasing to 23.4 per cent of GDP. For India, it has risen to 27 per cent of GDP while for Pakistan and Sri Lanka it is at 25 per cent and 26 per cent respectively. The manufacturing sector, which is a subset of the industrial sector, has shown an insignificant increase in the period. Within the service sector, the largest contribution has come from the commercial and trade sub-sector. The contribution of the transport sector has improved notably during this period. However, the contribution of the service sector grew at a faster rate than that of the industrial sector in this region. In 1965, the average contribution of the service sector was around 37 per cent while in 1993 the average contribution increased to 46 per cent. For Bangladesh it has increased from 36 per cent to 52 per cent during the period. In Nepal the contribution of service sector increased from 23 per cent to 36 per cent while for Sri Lanka the position of the sector remained almost unaltered. India and Pakistan have registered 7 per cent and 10 per cent increase respectively during the period in that sector. (Table 2).[1]

The structure of manufacturing output reflects the nascent stage of development of the industrial sector in most of the SAARC member countries. This is clearly reflected in (Table 3). More than 50 per cent of the manufacturing output originates in food and textile sectors with the exception of India. Machinery and chemicals account for 39 per cent of India's manufacturing output. They contribute only 24 and 9 per cent in the case of Bangladesh, and Sri Lanka respectively. In the case of Nepal, 63 per cent of manufacturing output originates in food and textile sectors. The pattern of output and particularly of manufacturing output has a strong bearing on the trade pattern. The structures of production in SAARC countries are of special significance for trade expansion in the region. With the exception of India, the SAARC countries have a limited capacity to produce goods which can be traded among themselves. Thus progressive liberalisation of trade will have to be accompanied by built-in safe-guards for native industries.

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[1] SAARC Study on Trade, Manufactures and Services, p. 12 to 15, published by SAARC Secretariat, Kathmandu, 1991.

Table 2

Structure of Production in 1993

(% Share in GDP)

Year	Agriculture		Industry		Manufacturing		Services	
	1965	1993	1965	1993	1965	1993	1965	1993
Bangladesh	53	30	11	18	5	10	36	52
Bhutan	—	—	—	—	—	—	—	—
India	44	31	22	27	16	17	34	41
Maldives	—	—	—	—	—	—	—	—
Nepal	65	43	11	21	3	9	23	36
Pakistan	40	25	20	25	14	17	40	50
Sri Lanka	28	25	21	26	17	15	51	50

— Data not available

Source: World Development Report 1995.

Table 3

Structure of Manufacturing Output

(Percentage)

Country	Food and Agriculture		Textile and Clothing		Machinery and Equipment		Chemicals		Other Manu-factures	
	1970	1992	1970	1992	1970	1992	1970	1992	1970	1992
Bangladesh	30	24	47	38	3	7	11	17	10	15
Bhutan	—	—			20	—	—	—	—	—
India	13	12	21	15	—	25	14	14	32	35
Maldives	—	—	—	—	—	—	—	—	—	—
Nepal	—	31	—	32	—	1	—	4	—	25
Pakistan	24		38		6	—	9	—	23	—
Sri Lanka	26	40	19	29	10	4	11	5	33	22

— Data not available

Source: World Development Report, 1995.

As far as the saving investment ratio and the resource gap in SAARC countries are concerned, it needs to be noted that during the period 1970–92, the savings ratio of South Asia was much lower than the global average. On the contrary, investment ratio was lower than the world average in the seventies while it reached the level of the world average in the subsequent decade. Unlike the savings ratio, the investment rate is to some extent comparable among the countries of the South Asian region. Because of the widening gap between saving and investment ratios, the net resource gaps have been negative in all the countries of the region during the period 1970–90. In the early nineties, the savings ratios have improved and the investment ratio has declined to some extent. With these changes, the resources balance became positive in 1990.

However, the balance of payments situation in these countries is very critical. The current account balance of the SAARC countries has deteriorated over recent years. In 1993, the current account deficit was the highest for Pakistan. (US$ 3, 688 million) followed closely by India (US$ 685 m), Sri Lanka (US$ 541 m) and Bangladesh (US$ 535 million). Compared to 1988, the current account balance improved for most countries in 1993 except for Pakistan. The deficit of around US$ 1685 million in 1988 in Pakistan rose to US$ 3688 million in 1993. The improvement of the current account balance in other SAARC countries is basically due to the liberalization policies undertaken by them. The deficit is financed through external assistance.

This way of financing the deficit may impede diversion of trade towards SAARC countries. Hence, reduction of dependence on external finanace to cover deficit financing, and increasing financing of imports through export earnings and remittances of nationals working abroad will facilitate expansion of trade among SAARC countries. In 1993, the Official Development Assistance decreased in all the member countries of the SAARC as compared to the figures of 1988. However, it is still quite significant considering the size and the state of the economies. India gets the highest official development assistance (US$ 1503 million) closely followed by Bangladesh (US$ 1386 m) and Pakistan (US$ 1065 m). (Table 4)

The dependence on external assistance to finance the balance of payments problems made the SAARC countries heavily debt-ridden by the end of 1992. The portfolio of external debt of the South Asian countries is shown in (Table 5). The long term debt in respect of all SAARC states, the largest component in the total external debt, had increased by more than three times during the period 1980–92. The individual country performance shows that long term debt increased by two to three times during this period. The level of IMF credit and short term debt have gone up substantially in the case of India and Pakistan. The sharp rise in the long term and short term debt have reduced the South Asian region to one of the most heavily indebted regions in the world.

Table 4
Balance of Payments and Foreign Assistance : 1993

Country	Current Account Balance (Million $)	Official Development Assistance (Net Distribution) (US Million $)
Bangladesh	–535	1386
Bhutan	—	—
India	–685	1503
Maldives	—	—
Nepal	–263	364
Pakistan	–3688	1065
Sri Lanka	–541	551

— Data not available
Source: World Development Report 1995

Table 5
Structure of External Debt

Country	Long term debt. (Million $)		Use of IMF Credit (Million $)		Short term debt. (Million $)		Total enternal million $	
	1980	1992	1980	1992	1980	1992	1980	1992
Bangladesh	3417	12226	424	732	212	231	4053	13189
Bhutan	—	83	—	—	—	1	—	84
India	18680	69226	977	4799	926	2958	20582	76983
Nepal	156	1747	42	44	7	7	205	1797
Maldives	—	—	—	—	—	—	—	—
Pakistan	8525	18550	674	1127	737	4394	9936	24072
Sri Lanka	1231	5706	391	464	220	231	1841	6401

Source: World Development Report 1994, World Bank.

Trade and the SAARC

Foreign trade plays an important role in the economic development and growth of a country. The SAARC countries are no exception to the rule. However, individually or collectively, they have not played a major role in the global trade. The share of the SAARC region in world trade is negligible, being less than one per cent. Although the share in world trade of this region is insignificant, there has been a slight increase in it in the recent past. The share of the region's export in world trade has increased from 0.81 per cent in 1990 to 0.87 per cent in 1993. In terms of value, the exports of South Asian countries increased to 32.2 billion dollars in 1993 from the level of 30.7 billion dollars in 1990.

The value of imports, which was almost constant during the period 1980–86, has started increasing gradually but steadily. The value of imports is generally larger than exports in absolute terms. The share of South Asian imports in world trade declined from 1.3 per cent in 1980 to 1.09 per cent in 1993, although in value terms the imports increased. (Table 6[A] & 6[B]) In 1993, the value of South Asian imports was slightly higher than in 1992, but significantly higher than in 1991.

Table 6(A)

Trade of South Asia in the World, 1980–1993

(Million US$)

Year	South Asia		World	
	Export	Import	Export	Import
1980	12959.3 (0.69)	25049.6 (1.30)	1875500	1927300
1985	13424.9 (0.74)	26940.8 (1.42)	1812700	1890400
1990	27235.0 (0.81)	38255.0 (1.07)	3378500	3495800
1993	32243.0 (0.87)	41074.0 (1.09)	3686700	3756800

Note : Figure in parenthesis represent share of South Asia in World Trade.
Source : IMF, Direction of Trade Statistics Year Book, Verious Issues.

Table 6(B)

Share of SAARC Members Countries in World Trade

(Percentage)

Country/	Export					Imports				
Group	1989	1990	1991	1992	1993	1989	1990	1991	1992	1993
SAARC	0.77	0.77	0.79	0.71	0.86	1.06	1.07	0.95	1.06	1.09
Bangladesh	0.04	0.04	0.04	0.05	0.06	0.11	0.10	0.09	0.09	0.10
Bhutan	—	—	—	—	—	—	—	—	—	—
India	0.53	0.52	0.51	0.41	0.54	0.65	0.68	0.54	0.63	0.59
Maldives	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Nepal	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01
Pakistan	0.15	0.16	0.18	0.19	0.18	0.23	0.21	0.23	0.24	0.25
Sri Lanka	0.05	0.05	0.06	0.06	0.07	0.06	0.07	0.08	0.09	0.11

— Data not available
Source : Estimated from IMF, Direction of Trade Statistics Year Book, 1994.

The share of trade in GDP in the SAARC countries shows a peculiar trend. In 1993 it was 25.57 per cent in Bangladesh, 15.86 per cent in India, 38.11 per cent in Nepal, 33.31 per cent in Pakistan and as much as 66.5 per cent in Sri Lanka. We find from the data (Table 7) that larger countries are much less dependent on trade than the smaller countries of the region for example, Bhutan, Maldive and Sri Lanka have a larger share of trade in GDP compared to Bangladesh, India and Pakistan. The share of trade in GDP is the lowest in India. "The negative relationship between the size of the country and the share of trade in GDP can be explained by the fact that the smaller countries are induced, both by their narrow resource base as well as their narrow domestic markets, to be outward-oriented. A bigger country, on the other hand, is expected to have a more diversified base and because of its large domestic market, it can reap advantages from economies of scales. Consequently, its reliance on trade is smaller".[2]

Table 7

Share of Trade in GDP 1993

(Million US$)

Country	Share of Import in GDP	Share of Export in GDP	Share of Trade in GDP
Bangladesh	16.29	9.28	25.57
Bhutan*	38.09	26.33	64.42
India**	08.66	7.20	15.86
Maldives*	111.85	42.74	154.59
Nepal**	25.89	12.22	38.11
Pakistan	19.50	13.81	33.31
Sri Lanka	38.68	27.82	66.50

Note: * For the Year 1990 ** For the Year 1992

Source: Estimated from Data presented in IMF, International Financial Statistics Year Book, 1994.

We find from Table 7 that the share of import in GDP is substantially higher than the export share for all the countries in the region. For the Maldives, the difference between the two shares is the highest (69.11 per cent) while for India it is the lowest (1.46 per cent). It is basically due to the difference of these two shares i.e. the import share being greater than export share that makes the countries of the South Asian region net importers of capital.

The huge deficit in the balance of trade has been the most pervasive phenomenon of the South Asian countries. Exports financed only partially the import requirements of most SAARC countries. However, there has been considerable increase in the coverage of import by export earnings during the last few years.

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[2] SAARC Study on Trade, Manufactures & Services, P.17, SAARC Secretariat, Kathmandu, 1991.

In the beginning of the eighties, the ratio of exports to imports was less than 50 per cent, which picked up to 71 per cent in 1990, and further to 78 per cent in 1993. In fact, in 1993 the export-import ratio has sharply improved for India (88.7 per cent). For Pakistan (70.5 per cent) and Sri Lanka (66 per cent), the ratio in decreased 1992 (Table 8), although if we consider the trend from 1980, it registered a tremendous increase. Generally, if we look at the data, we find that the higher trend of coverage of imports through export earnings started in the mid-eighties and picked up during the nineties. In terms of value, the actual amount of trade deficit has declined from the level of 12 billion US dollars during the eighties to around 9 billion dollars in 1990, while it was 6.7, 10.7 and 8.18 bn. in the years 1991, 1992 and 1993 respectively.

Table 8

Ratio of Exports to Imports

(Percentage)

Year	Bangladesh	India	Maldives	Nepal	Pakistan	Sri Lanka
1980	30.2	56.9	39.3	28.8	48.9	51.2
1985	39.5	50.6	32.8	45.6	46.5	69
1990	45.7	74.2	37.6	47.7	75.6	71.9
1991	49.3	91.6	33.3	51.4	77	68.7
1992	54.6	76.5	20.9	71.9	77.5	71.6
1993	56.7	88.7	30.2	71.3	70.5	66

Source: Calculated from IMF, Direction of Trade Statistics Year Books Various Issues.

The requirements of development as well as the structural changes in the regional economy have left their impact on the structure of trade in the SAARC countries. The average share of primary commodities in exports of most SAARC countries is around 20 per cent. Although the share of primary commodities in total exports has declined significantly during the period 1970–93, countries like India and Sri Lanka still have primary commodities as important export items (Table 9) which definitely is not very encouraging. In 1993, primary commodities accounted for around 25 per cent and 28 per cent of total exports of India and Sri Lanka. In the last decade it was around one-third for India and more than 55 per cent for Sri Lanka. Primary commodities contributed around 18 per cent and 15 per cent in total exports in the case of Bangladesh and Pakistan respectively in the year 1993. Other than this there is considerable progress in the exports in the manufactured goods sector i.e. 80 per cent of the total exports are from this sector in 1993. Except for Sri Lanka, it accounts for almost three-fourth of total exports in all the SAARC countries. However, as stated earlier, the bulk of manufactured exports consist of textile and clothing in all the SAARC countries except India in whose case manufactured exports, other than those of textile and clothing, account for as much as 45 per cent of its total exports in 1993.

Table 9

Structure of Merchandise Exports

(Percentage)

Country	Fuels, Minerals Metals		Other Primary Commo-dities		Machinery and Transport Equipment		Other Manu-facturers		Textile Fibres Textiles and Clothing	
	1970	1993	1970	1993	1970	1993	1970	1993	1970	1993
Bangladesh	—	0	—	18	—	0	—	81	—	78
India	13	7	35	18	5	7	47	68	27	30
Nepal	—	0	—	16	—	0	—	84	—	—
Pakistan	2	1	41	14	0	0	57	85	75	78
Sri Lanka	1	1	98	27	0	2	1	71	3	52

Source: World Development Report, 1995, P. 190.

Table 10

Structure of Merchandise Imports

(Percentage)

Countries	Food		Fuel		Other Primary Commodities		Machinery & Transport Equipments		Other Manu-factures	
	1970	1993	1970	1993	1970	1993	1970	1993	1970	1993
Bangladesh	-	15	-	14	-	30	-	13	-	28
India	21	4	8	30	19	10	23	14	29	42
Nepal	-	-	-	-	-	-	-	-	-	-
Pakistan	21	14	7	17	7	6	31	35	35	27
Sri Lanka	47	16	3	9	4	3	18	21	29	51

Source: World Development Report, 1995, P. 188.

In the import structure also, primary products as a whole which include food items, agriculture raw materials, fuels, ores and metals contribute around 45 per cent of the imports for the SAARC countries. For Bangladesh, primary commodities account for around 69 per cent of its total imports in 1993. For India, although the share of primary commodities has remained static at around 45 per cent of its total imports in the period 1970–93, the shares have changed in the subsectors considerably. In 1970–93 the imports of the food sector have significantly declined from 21 per cent to 4 per cent. On the other hand, in the fuel sector they have considerably increased from 8 per cent to 30 per cent in the same period. In other SAARC countries, too, fuel imports have increased considerably. Manufactured imports account for more than half of the total imports of all SAARC countries at around 58 per cent in the year 1993 (Table 10). Machinery and transport equipment constitute around 21 per cent of the imports in all the member countries. In fact, the share of machinery and transport equipment in the total imports of all SAARC countries is declining for India but has increased for other countries by around 4 per cent during the period.

Trade Policies of SAARC Countries

Most SAARC countries have pursued development strategies with heavy emphasis on import substitution. In the beginning consumer goods particularly textile & food products were developed locally. Later on emphasis was laid on capital goods production. To accomplish these objectives many of these countries have maintained overvalued exchange rates and supported balance of payments situation through severe restrictions on imports & through strong subsidies to exports.[3]

Although in the early 80's South Asian countries undertook significant import-liberalization measures, the import policies had continued to be quite restrictive with the exception of Sri Lanka. With the newly developed import-liberalization measures in the nineties, India, Pakistan & Sri Lanka have adopted managed floating exchange rate policy. The Indian rupee has also been made convertible on the current account since reforms were initiated by the Government of India in 1991. Bangladesh & Nepal pegged their currencies to a composite of currencies and Bhutan to the Indian Rupee. The Maldives adopted the system of independent floating. The SAARC countries have recognized the inter-relationship between the trade policy regime and the exchange rate policies.

Import of a number of products has now been permitted which had been banned earlier. Import of those products which were earlier in the restricted list has now been liberalized. Tariff structures are being rationalized in almost every South Asian country by distinguishing their trade, revenue & protective objectives. Bangladesh, Nepal, Pakistan & Sri Lanka have introduced the system of negative lists, meaning that unless imports of products are banned or restricted, goods can be freely imported.

Although in many respects import policies continue to be restrictive and tariff rates remain high in SAARC countries, their moves towards pro trade outward-looking policies are very encouraging. Bhutan & Nepal continue to enjoy special trading relationship with India. Bangladesh, India & Sri Lanka are parties to the Bangkok Agreement. These trends portend well for the future of South Asian Trade.

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[3] See South Asia as a Dynamic Partner, Ed by S.P. Gupta, William E. James and Robert K. M.C. Cleery, MacMillan India Ltd., 1994.

Intra and Inter Regional Trade Flows

Table 11 (A,B,C) gives us the intra and inter regional trade flows for the year 1993. The most striking feature of the direction of trade of the South Asian countries has been a steady rise in their exports to and imports from the industrial market economies. Over the years, intra-SAARC trade, which any way plays a very minor role in global trade, has increased insignificantly both in terms of volume and growth rate. Intra-regional exports as percentage of total exports of the region actually declined from 6 per cent in 1990 to 3.51 per cent in 1993. The intra-SAARC imports as percentage of total regional imports are on the rise from 1.88 to 2.71 in 1993. This explains the adverse balance of trade situation of these countries. However, the total share of intra SAARC trade in world trade of SAARC countries increased from 2.44 per cent in 1990 to 3.06 per cent in 1993.

Table 11(A)

Inter Regional Trade Flows, 1993

(Million US$)

Origin/Destination	World	Industrialised Country	Developing Countries	South Asia
World	3686700	2441200	1190337	41082
Industrialised Countries	2528800	1776900	728121	20970
Developing Countries (Without South Asia)	1125657	643326	449988	18919
South Asia	32243	20174	11426	1157

Source : IMF, Direction of Trade Statistics Yearbook, 1994.

Table 11(B)

Intra-Regional Trade

Year	Intra-regional Imports (Million US$)	Intra-regional Import as % of total Imports	Intra-regional Exports (Million US$)	Intra-regional Export as % of Total Exports
1990	721.80	1.88	862.63	5.99
1991	861.47	2.44	996.93	3.51
1992	1142.79	2.59	1072.80	3.25
1993	1115.00	2.71	1133.00	3.51

Source: Direction of Trade Statistics Year Book, 1994.

Table 11(C)

Intra-SAARC Trade in Relation to World Trade of SAARC Countries

Year	Intra-SAARC Trade Export + Import Million US$	World Trade of SAARC Countries Export + Import Million US$	Share of Intra-SAARC Trade in World Trade of SAARC Countries (%)
1990	1584.43	65367.27	2.44
1991	1869.10	63006.43	2.96
1992	2225.59	76989.67	2.89
1993	2248.00	73314.00	3.06

Source: Estimated from IMF, Direction of Trade Statistics Year Book, 1994.

Although intra-SAARC trade has been a contentious item in the agenda of the SAARC forum, it recorded an average annual growth rate of 3.5 per cent during the period 1980–90. Contrary to this, South Asia's trade with countries outside the region grew at the rate of 8.12 per cent. As a result, intra-SAARC trade, as percentage of South Asia's world trade has recorded a steady downtrend from 3.19 per cent to 2.44 per cent during the same period. In 1993, a significant proportion of South Asia's exports went towards industrialized countries, being 62.5 per cent of their total trade flows, which is more than the share of other developing countries' exports to industrialized countries. The intra-regional trade of South Asian countries has improved from 2.44 per cent in 1990 to 3.06 per cent in 1993 although the share is still rather insignificant. Compared to this the data of IMF shows that the amount of intra-regional trade of developing countries was around 39 per cent of their total trade. This shows that intra-regional trade among South Asian countries is very small and there is considerable potential for its increase. About 34 per cent of South Asia's exports are destined towards other developing countries (other than South Asia), while dependence of South Asia on developing countries (other than South Asia) for imports is to the extent of 46 per cent.

Intra-SAARC Trade Balance

The intra-regional trade balance of the SAARC countries for the period 1990–93 are shown in Table 12. Apart from India and Pakistan, all the member countries of SAARC have a trade deficit within the region. During the period, India experienced a trade surplus with all the countries except Pakistan. However, with Pakistan also it has registered a trade surplus in 1993—a feat which it could not achieve for more than a decade. India's trade surplus with most of the countries of the South Asian region has increased

Table 12(A)
Balance of Intra-regional Trade of SAARC Countries

(Million US$)

From/To	Year	Bangladesh	India	Maldives	Nepal	Pakistan	Sri Lanka	Total
Bangladesh	1990		–148.6	—	+05.9	–46.9	+0.2	–189.4
	1991		–166.7	—	+11.4	–18.3	+1.1	–172.5
	1992		–279.7	—	–00.2	–57.5	+5.3	–332.1
	1993		–367.0	—	—	–64.0	+2.0	–423.8
India	1990	+282		—	+25	–2	+80	+390.0
	1991	+319		—	+58	–18	+163	+527.0
	1992	+253		—	+64	–102	+179	+399.0
	1993	+379		—	+60	+10	+212	+286.1
Maldives	1990	—	–6.50		—	—	–2.31	–9.48
	1991	—	–11.12		—	—		–1.71
	1992	—	–12.24		—	–1.9		–2.9
	1993	—	–0.80		—	–1.0		–12.0
Nepal	1990	–6.69	–25.76	—		–0.86	–0.08	–37.39
	1991	–12.58	–67.56	—		–3.39	–0.08	–76.83
	1992	–0.08	–74.32	—		–1.64	–0.09	–72.69
	1993	–8.00	–70.00	—		–1.00	—	—
Pakistan	1990	–64.6	+3.30	—	–0.7		+31.9	+101.1
	1991	+63.7	+2.80	—	–3.8		+33.4	+97.7
	1992	+86.4	+83.30	—	–2.1		+51.5	+220.8
	1993	+67.0	–14.0	—	+1.0		+16.0	+69.0

From/To	Year	Bangladesh	India	Maldives	Nepal	Pakistan	Sri Lanka	Total
Sri Lanka	1990	−0.9	−97.8	+1.2	—	−18.3		−114.0
	1991	−2.1	−181.5	−1.3	—	−43.3		−238.2
	1992	−6.9	−199.7	−3.5	−23.0	−6.3		−282.1
	1993	−2.0	−239	−1.0	−27.0	−26.0		−295.0

Source: IMF, Direction of Trade Statistics Year Book : 1992 and 1994

Table 12(B)

Intra-regional exports of SAARC countries and their World (WD) Exports

(Million US$)

From/To	Year	Bangladesh	India	Maldives	Nepal	Pakistan	Sri Lanka	Total SA	Total World	Export as % (WD)
Bangladesh	1990	21.7	—	7.4	23.2	8.2	60.5	1671.8	3.6	
	1991		22.8	—	11.5	39.1	5.9	79.3	1687.5	4.69
	1992		4.2	—	0.2	30.5	10.8	45.7	2040.3	2.23
	1993		13.0	—	7.0	26.0	9.0	55.0	2277.0	2.41
India	1990	297		5	40	43	102	487	17741	2.47
	1991	325		5	77	40	175	622	17683	3.51
	1992	258		5	85	47	192	587	20683	2.83
	1993	392		7	79	56	229	763	19964	3.82
Maldives	1990	—	0.05		—	...	7.24	7.29	52.0	14.01
	1991	—	0.03		—	...	10.30	10.33	55.73	19.22
	1992	—	0.03		—	0.07	11.31	11.38	76.55	14.77
	1993	—	—		—	—	12.0	12.00	66.00	18.18

Nepal	1990	—	0.05		—	...	7.24	7.29	52.0	14.01
	1991	0.12	17.45	—		3.91	0.02	21.50	257.31	8.35
	1992	0.33	19.19	—		3.18	0.02	22.72	331.86	6.84
	1993	—	17.00	—		1.00	1.0	19.0	389.00	4.88
Pakistan	1990	102.8	49.0	0.6	1.1		68.9	222.4	5587.2	3.89
	1991	100.6	47.1	1.7	0.5		67.8	217.7	6494.2	3.35
	1992	136.1	135.5	1.8	1.4		84.6	359.4	7266.8	4.94
	1993	105.0	53.0	1.0	—		57.0	216.0	6701.0	3.22
Sri Lanka	1990	9.8	20.2	7.4	—	32.5		69.9	1895.2	3.68
	1991	4.4	10.5	10.0	—	31.2		56.1	2205.0	2.18
	1992	5.0	11.5	9.0	1.0	30.1		56.6	2569.6	2.20
	1993	7.0	13.0	10.0	1.0	37.0		68.0	2846.0	2.38
SAARC Region	1990							862.63	27163.5	13.17
	1991							996.93	28380.7	43.51
	1992							1072.80	32967.5	63.25
	1993							1133.0	32243.0	3.51

— Data not available ... Negligible

Source : IMF, Direction of Trade Statistics Year Book, 1994.

during this period. Trade surplus with Bangladesh has increased from US$ 282 million to US$ 379 million 1993. With Nepal and Sri Lanka, it has increased by US$ 35 million and US$ 132 million respectively during the period 1990–93. Pakistan's trade surplus with the SAARC countries although positive is very fluctuating. With Bangladesh it had a trade deficit in 1990. In 1991, there was a trade surplus which increased further in 1992. However, in 1993 the trade surplus fell to US$ 67 million with Bangladesh. With India. Pakistan has a trade surplus which increased significantly to US$ 83 million in 1992. There was a trade deficit with Nepal upto 1992, but in 1993 it registered a trade surplus. It had a substantial trade surplus with Sri Lanka, which kept increasing upto 1992. However, in 1993, the trade surplus decreased to US$ 16 million. Bangladesh had trade deficits with all the countries of the region except Sri Lanka. It is interesting to note that the countries suffering trade deficits have increased their deficit over the years during the period 1990–93. The conclusion cannot be avoided that over the years India and Pakistan have experienced a trade surplus within the region, while the five smaller countries experienced persistent deficits in the intra-regional trade.[4]

SAARC Preferential Trade Arrangement (SAPTA)

Trade cooperation is the single most important item that can open the political and economic frontiers of South Asian economies as also inject a high growth profile. Trade cooperation will enhance the scope of intra-SAARC interaction because of the array of benefits that would follow. Inter alia, these are :

i) There will be a phenomenal decrease in the freight and insurance charges. This is very important in the context of enhancing intra-SAARC trade. A study revealed that a 10 per cent reduction in the transportation cost would have saved India's foreign exchange worth US$ 285 million during 1980–86.

ii) There will be a more efficient allocation of resources when the regional trade and industry oriented to higher growth and productivity would start emerging.

iii) SAARC countries as a regional bloc can gradually become a unified force in various international forums for trade negotiations. They can face the challenge of the emerging "fortress Europe" more cohesively and can even dictate terms in some of the commodities over which the region holds monopolies in production.

iv) Trade cooperation will lead to rapid exploitation of indigenous resources for a number of joint industrial ventures in an efficient and sustainable way. The resources to be exploited indigenously would range from scientific and technical manpower to mineral and other natural resources.

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[4] See SAARC Trade Manufactures and Services, p. 23 to 25, published by SAARC Secretariat, Kathmandu, 1991.

v) Finally, the resulting boom in the tourism sector would certainly enhance the level and quality of people-to-people cooperation. That can act as a catalyst to mitigate mutual misapprehensions, mistrust and suspicion among the member countries and as a stepping stone towards objectively identifying, understanding and resolving more complex politico-strategic issues.[5]

With such benefits in mind, the SAARC countries considered getting into a preferential trading arrangement several years ago and which they accomplished in 1995. The South Asian Preferential Trading Arrangement is a first step in favour of regional cooperation in trade since the inception of SAARC. The initiative towards establishing SAPTA was first developed during the sixth SAARC Summit in Colombo, in December 1991. Pakistan displayed serious reservations, fearing that SAPTA may lead to India's dominance of the region. These reservations were overcome by the author in his meeeting with Mr. Shehryar Khan, Foreign Secretary of Pakistan on 7 July 1992 in Colombo. As a result, SAARC Foreign Minsiters were able to direct the Inter Governmental Group in Colombo to proceed expeditiously to draft an agreement on the SAARC Preferential Trading Arrangement (SAPTA). The framework Agreement on SAPTA was signed by Ministers of all a member States on 11 April, 1993, during the Seventh SAARC Summit in Dhaka. Finally, it was formally approved at the Eighth SAARC summit held in Delhi in May, 1995 and became operative in December, 1995.

The objective of SAPTA is to promote a greater volume of intra-regional trade among the SAARC countries through a mutually agreed schedule of intra regional trade concessions and preferences.

The ratification of SAPTA implies that each SAARC member country can request preferential treatment on a particular product from another member country on a reciprocal basis. The preferential treatment would phased removal of tariffs, para-tariffs, and non-tariff barriers as also direct trade measures such as commitment in respect of long and medium term contracts, preference in government and public procurement, state trading and buy-back arrangements.

To begin with, SAPTA envisages 10 per cent tariff reduction for items classified under the preferential trade category.

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[5] "Latest Development in SAARC" A paper published by PHD Chamber of Commerce, New Delhi, 1993, p. 5 to 8.

SAPTA also defines the rules of origin criteria of eligibility of products under preferential trading. Under the Agreement, the value of raw materials originating within the territory of the participating states must be at least 50 per cent of the FOB value of the product. However, when one member state uses less raw materials from other member states as inputs for the finished product, then the product would become eligible for preferential treatment provided the combined raw material content originating from the region was not less than 60 per cent. In case of the least developed countries a further 10 per cent relaxation in the rules of origin criteria is permitted.

Under SAPTA the special needs of the Least Developed Countries (LDCs) would be taken care of and member states would provide whenever possible special and more favourable treatment exclusively to the LDCs. An attractive feature in this context is the technical assistance and cooperation designed to assist the LDCs in expanding their trade with other member countries. This could imply inter alia identification, preparation and establishment of industrial and agricultural projects in the territories of LDCs possibly linked to cooperative financing and buy back arrangements. It is, however, not clear as to how cooperative financing for such joint projects is to be undertaken. Nor does SAPTA specify the organisational nature of such projects (whether in the state or private sector). Apart from special state sponsored promotional measures in favour of the least developed member countries in SAARC, there is every reason for joint projects between them and other member states to be undertaken on the basis of their relative profitability and comparative advantage.

Further, for encouraging such joint projects the agreement should have provided for duty free buy back arrangements. Such a provision would go a long way in creating production facilities in the LDC countries for expansion of their exports to not only the SAARC countries but to other countries as well.

SAPTA facilities are non-reciprocal for the Least Developed Countries—The Maldives, Bhutan, Nepal and Bangladesh. This would give India an opportunity to demonstrate its good intentions towards its neighbours and would also remove/reduce the fear of economic dominance of India. India would perhaps have to give more in the short run; however, in the long run it would stand to benefit.

At present Pakistan does not offer MFN status to India whereas India has not only been offering the same to Pakistan but it has also not complained to GATT in this behalf even though it would be within its rights to do that. With SAPTA in operation the problem would be more easily overcome and the need to carry on trade through third countries would be substantially reduced.

SAPTA would also institutionalise the special concessions given by India to Nepal and Bhutan. These concessions are now possible only because neither of the two is a member of GATT.[6]

SAPTA also contains several safeguard measures to ensure suspension of concessions by members suffering from serious injury to their domestic industries from balance of payment difficulties as a result of preferential imports.

As per the agreement the Contracting States have to develop communication system, and transit and transport facilities to boost trade within the SAARC region. The other facilities for LDCs include sharing of existing facilities like export credit insurance for export marketing and joint ventures between LDCs and other member countries and special rates in shipping.

Formulation of List of Items for Concession

The Preferential trading Arrangement is one of the mildest forms of an integrative arrangement. Under this arrangement, the Contracting Parties (CP's) offer a preferential margin with respect to trade barriers in relation to their MFN rates. In other words, the constraints affecting intra-regional trade are sought to be removed through reduction in tariffs, para-tariffs, non-tariff barriers, and by direct trade measures. The direct trade measures include long and medium term contracts containing import and supply commitments in respect of specific products, buy-back arrangements, state trading operations and government and public procurement.

Negotiation may be on product-by-product basis, across-the-board reduction, non-tariff measures and direct trade measures. In the beginning, negotiations are made on a product-by-product basis because each Contracting State would launch the negotiation with extreme caution so as to obtain a reasonable balance of advantage. Primary products, agricultural and extracted raw materials, marine and marine products, scrap metals, other manufactures with more than 50 per cent of domestic content have to be considered in the first phase. The Arrangement provides for ample safeguard measures relating to balance of payments difficulties also.

The objective of SAPTA is to attempt collective self reliance for the region. This would involve identification of import needs of individual countries of the region with a view to determining what could be supplied from within the region itself and obtaining the rest at the lowest possible cost from outside the region. It would also involve determination of export surpluses of individual countries to explore the possibilities of joint marketing and improving unit value realisation.

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[6] Ibid—p. 8.

The SAARC countries are in the process of finalising lists of products that they would like to be traded on concessional tariff. To this end two rounds of talks have so far been completed. In the first round 226 items were identified for concessional tariff while in the second round, the number has gone upto 800. This is a continuing process and it will go on till the region converts itself into a free trade area.

While identifying tradeable commodities, following factors have to be kept in mind.

- The commodities selected should figure in export/import trade significantly. Otherwise there will not be scope for trade creation.
- The commodities selected should have potential for future trade creation keeping in view the liberalisation and privatisation policies which are being pursued in these countries.
- Commodities currently being imported from outside the SAARC region, but available within the SAARC region itself for exports, will have to be identified and special efforts undertaken for trade creation.

Apart from helping the South Asian countries to expand intra-regional trade, SAPTA is supposed to pave the way for greater cooperation among member countries in the context of the growing North-South divide and the formation of trade blocs. SAARC countries have agreed that the liberalization of trade in the region should advance through a step by step approach in a manner that by and large they share the benefits of trade expansion equitably.

SAPTA cannot be applied in relation to preferences already granted or to be granted by any Contracting State to other Contracting States outside the framework of this Agreement, and to third parties through bilateral, plurilateral and multilateral trade agreements, or similar arrangements. Moreover, the negotiated concessions among contracting states will be incorporated in the national schedule of concessions. A list of initial concessions agreed by contracting states is given in the SAPTA document adapted at Colombo. A number of other provisions like special treatment for least developed countries, balance of payments measures, safeguard rules, "rules of origin", dispute settlement etc. have also been formulated in the initial proposal.

Bilateral trade flows, imports and exports, between South Asian countries are shown in Tables 13(A,B) and 14.[7]

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[7] Ibid, p. 26 to 29.

Table 13(A)

Share of Bilateral as Percentage of Total Exports from the Region

(Million US$)

From/To	Year	Bangladesh	India	Maldives	Nepal	Pakistan	Sri Lanka
Bangladesh	1990		68.1	—	0.6	28.0	3.2
	1991		75.2	—	0.03	22.7	1.9
	1992		75.1	—	0.1	23.2	1.4
	1993		79.6	—		18.8	0.02
India	1990	15.4		—	15.4	46.3	22.6
	1991	6.3		—	20.0	61.0	12.6
	1992	0.0		—	11.1	79.2	6.0
	1993	13.6		—	20.0	48.4	17.8
Maldives	1990	31.0	—		—	3.9	56.9
	1991	48.8	—		—	2.5	48.3
	1992	50.2	—		—	8.2	49.4
	1993	8.3	90.6	—			1.0
Nepal	1990	15.2	82.1	—		2.3	0.1
	1991	12.9	86.45	—		0.5	0.1
	1992	0.2	98.0	—		1.6	0.1
	1993	8.3	90.6	—			1.0
Pakistan	1990	31.4	37.3	—	0.3		30.5
	1991	30.0	36.9	—	3.5		28.6
	1992	35.8	37.5	0.0	2.5		23.8
	1993	25.8	45.0	0.07	0.6		27.8
Sri Lanka	1990	4.8	64.1	3.3	—	27.6	
	1991	2.2	67.5	3.9	—	26.2	
	1992	3.62	64.2	3.8	7.3	28.3	
	1993	2.4	69.4	3.0	7.7	17.3	

— Data not available

Source: IMF, Direction of Trade Statistics Year Book, 1994.

Table 13(B)

Share of Bilateral Imports as Percentage of Total Imports from the Region

(Million US$)

From/To	Year	Bangladesh	India	Maldives	Nepal	Pakistan	Sri Lanka
Bangladesh	1990		35.8	—	12.2	38.3	13.5
	1991		28.7	—	14.5	49.3	7.4
	1992		9.1	—	0.4	66.7	23
	1993		23.6	—	12.7	47.2	16
India	1990	60.9		1.0	8.2	8.82	20.9
	1991	52.2		0.8	12.3	6.4	28.1
	1992	43.9		0.8	14.0	8.0	32.7
	1993	51.3		0.9	10.3	8.6	30.0
Maldives	1990	—	0.6		—	—	99.31
	1991	—	0.2		—	—	99.7
	1992	—	0.2		—	0.6	99.2
	1993	—	—		—	—	100
Nepal	1990	15.2	82.1	—		2.3	0.1
	1991	12.9	86.45	—		0.5	0.1
	1992	0.2	98.0	—		1.6	0.1
	1993	8.3	90.6	—			1.0
Pakistan	1990	31.4	37.3		0.3		30.5
	1991	30.0	36.9		3.5		28.6
	1992	35.8	37.5	0.0	2.5		23.8
	1993	25.8	45.0	0.07	0.6		27.8
Sri Lanka	1990	4.8	64.1	3.3	—	27.6	
	1991	2.2	67.5	3.9	—	26.2	
	1992	3.62	64.2	3.8	7.3	28.3	
	1993	2.4	69.4	3.0	7.7	17.3	

— Data not available

Source: Direction of Trade Statistics Year Book, 1994.

Table 14

Bilateral Trade (Export) Flow between South Asian Countries, 1985–1993

(Million US $)

From/To	Year	Bangladesh	Bhutan	India	Maldives	Nepal	Pakistan	Sri Lanka	World
Bangladesh	1985	—	—	30	0.1	5	42	5	999
	1990	—	—	22	—	7	23	8	1672
	1992	—	—	4	—	—	30	11	2037
	1993	—	—	13	—	7	26	9	2277
India	1985	104	—	—	1	82	12	71	8265
	1990	297	—	—	5	40	43	102	17813
	1992	292	2	—	9	79	53	199	18528
	1993	392	5	—	7	79	56	229	19964
Maldives	1985	—	—	0.04	—	—	—	5	23
	1990	—	—	—	—	—	—	7	52
	1992	—	—	—	—	—	—	10	40
	1993	—	—	—	—	—		12	66
Nepal	1985	—	—	46	—	—	2	4	135
	1990	1	—	14	—	—	—	—	216
	1992	—	—	20	—	—	3	22	351
	1993	—	—	17	—	—	1	25	389
Pakistan	1985	65	—	38	0.3	0.1	—	42	2738
	1990	103	—	49	1	1	—	69	5587
	1992	136	1	136	2	1	—	85	7269
	1993	105	1	53	1	—	—	57	6701
Sri Lanka	1985	15	—	6	5	0.1	27	—	1265
	1990	10	—	20	7	—	32	—	1895
	1992	7	—	12	9	1	29	—	2488
	1993	7	—	13	10	1	37	—	2846

Source: IMF, Direction of Trade Statistics Yearbook : 1992 and 1994.

A countrywise Analysis on SAPTA's Impact

BANGLADESH

India and Pakistan have been the major trading partners of Bangladesh, accounting for more than 90 per cent of its trade in the SAARC region. The share of Bangladesh's imports from India exhibits a decreasing trend while with Pakistan it shows an increasing trend in the period 1990–93. In the period 1990–1993, imports from India have declined from 35.8 per cent in 1990 to 23.6 per cent in 1993 while for Pakistan it increased consistently upto 1992 (66.7 per cent). In 1993 the share of imports fell to 47.2 per cent. Since 1993, however, there has been a marked increase in Bangladesh's imports from India. The imports from Sri Lanka show an uneven trend during the period. Most of Bangladesh's imports are concentrated in basic manufactures, capital goods and oil. Merchandise exports of Bangladesh increased 12 per cent in 1993—lower than the rate of 20 per cent in 1992. Pakistan appears to have been losing the status of being the major export market of Bangladesh. Of late, the loss of the Pakistani market appears to have been compensated by the emergence of India, Nepal and Sri Lanka as its leading export markets. In the period 1990–93, the exports to India have consistently increased from 68.1 per cent to 79.6 per cent while exports to Pakistan have fallen from 28 per cent to 18.8 per cent in 1993.

Primary products dominate Bangladesh's intra-regional exports—raw jute, jute goods and tea—although its share is declining and the share of manufactures is increasing. Most of the increase in the export of non-traditional items is attributable to textiles sector which accounts for more than fifty per cent of total exports.[8]

There has been an increase in Bangladesh's trade deficit recently as compared to earlier periods. This was because the increase in imports was not matched by enhanced exports. However, despite the persistently high deficit on trade account, the current account balance shows surplus. This is mainly due to remittances from abroad and substantial official transfers. In fact, Bangladesh is the only country which has a surplus on current account in the South Asian region (1993 data). It has been estimated that foreign exchange reserves position of Bangladesh may decline due to a decrease in remittances from abroad in the future, but that can be compensated through enhanced foreign investments. The real effective exchange rate of Bangladesh's currency with respect to US dollar has more or less remained stable during the last couple of years.

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[8] See "Liberal Times", Vol. II/Number 4, 1994, published by the Fredrich—Neumann—Stiftung, New Delhi, p. 13–14.

SAPTA would help Bangladesh to expand its exports to the region and thereby help to ease its large trade-deficits. The list of export items which Bangladesh considers important for intra-regional trade had been submitted to different SAARC countries during the 1995 summit. The prospect of expanding Bangladesh's exports to the region will lie in the development of the country's manufacturing sector and introduction of new products that have a demand in the partner countries. For achieving such goals, Bangladesh has the intention of taking up market studies on the basis of which various export expansion steps would be undertaken. However, the key to export expansion lies in the diversification of the export structure and generation of export surplus to cater to the needs of the region.

Apart from increasing exports, SAPTA would lead to the increase of imports, from the region as well. Currently, around 10 per cent of the country's imports are obtained from within the region. The increase of imports from the region will not only be in the items that are already imported. Many new products offer possibilities for import within the region. Imports from Bangladesh's traditional trade partners India and Pakistan in existing as well as newer items will also increase in such a regional framework of trade as SAPTA.

BHUTAN

Bhutan's trade is concentrated in the SAARC region and more specifically with India which has been the single largest trading partner accounting for 78 per cent of total imports and 98 per cent of exports of Bhutan on an average. Exports consist of primary products, vegetables, fruits and fruit products, handicrafts, philatelic items, wood products, cement, mineral products and electricity. Most of the imports are Indian products as well as items like petroleum products, machinery and tools, consumer goods, hardware and construction materials. Trade with other SAARC countries such as Bangladesh, Nepal and Sri Lanka has recently begun and is on the increase.

SAPTA would lead to a broader export market for Bhutan as well. Competitiveness in the export market is inevitable which is likely to enhance the quality of the products, as a result of concessions. In the case of imports, diversified sources of import would facilitate wider selection of goods to the ultimate choice of the mass consumers. The various concessions and regulations under the arrangement of SAPTA would help Bhutan to avail its benefits which other relatively more developed countries in the region would not be able to do. Thus SAPTA will help Bhutan in enhancing its external trade.[9]

INDIA

The major export markets of India in the SAARC region are Pakistan, Sri Lanka, Bangladesh, Bhutan and Nepal. Spices, unstriped tobacco, cotton, linters, tyres, aluminium and alloy works, accessories for machine tools, electrical apparatus, machine for extruding etc are India's leading export products to these countries.

In 1993, Bangladesh and Sri Lanka accounted for 80 per cent of India's imports from the region. Sri Lanka has been a major supplier to India in 1980, but its share in India's imports from the region declined considerably by 1987 and then increased in 1989. However, in the period 1990–93, imports from Sri Lanka consistently increased from 20.9 per cent to 30 per cent. The increase in share of imports from Sri Lanka appears to have been compensated by a decrease in India's imports from Bangladesh from 60.9 per cent in 1990 to 51.3 per cent in 1993.

The performance of India's external sector over the past few years has been satisfactory. Foreign exchange position is strong. Exports have been picking at a rate of around 20 per cent in the last 2–3 years. Imports have not increased basically due to the weak domestic market. The range of India's export basket has expanded considerably in recent years and there has been a notable shift towards new non-traditional products. There has been a significant increase in exports towards the markets of Asia & the Pacific. Net visible receipts have grown and helped in improving the position of balance of payments. Foreign exchange reserves have crossed the 25 billion dollar mark and direct foreign investment has increased in the nineties.

India, too, will have new possibilities of increased trade with the other regional economies under SAPTA. India's strong industrial and manufacturing base compared to the other SAARC countries could be fruitfully utilised under SAPTA as India would become a source of capital goods and manufactured products for the other member states. SAPTA will help India to gain market shares in these economies. For example, India will be able to export large amounts of milk and milk products.[10]

THE MALDIVES

Sri Lanka has emerged as the single largest trading partner of the Maldives in recent years. In 1993 it accounted for around 100 per cent of the import and 62 per cent of the exports of the Maldives. Bangladesh and Pakistan are also good export markets for the Maldives. It exported around 33.3 per cent of its exports to Bangladesh in 1993, while Pakistan accounted for around 4 per cent of its exports in the same year. Exports to India show an increasing trend, while imports from India declined drastically. Maldives has almost no trading relationships with Bhutan and Nepal.

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[9] Ibid, p. 15.

[10] Ibid, p. 16 to 18.

SAPTA will benefit Maldivian trade enormously. It would lead the opening of markets in the region for both import and export. The reduction in duties would eventually benefit not only the traders but consumers as well, increasing their spending power and thereby generating more trade.

NEPAL

In terms of imports and exports India is the single largest trading partner of Nepal. Almost 90 per cent of the imports of Nepal from the region have come from India alone while more than 95 per cent of her exports find their way into India. The exports have grown at a very high rate during the nineties, as compared to the growth of imports. This has improved the position of the trade account.

In the period 1990–93, imports from India have risen from 88.3 per cent to 89.4 per cent. Nepal has been importing from Pakistan and Sri Lanka as well. From Pakistan its imports went upto 18.1 per cent in 1991 but from then on they fell to 5.2 per cent in 1993. In 1993, imports from Sri Lanka were around 5.2 per cent of its total imports. Further, Nepal has been diversifying its destination of exports to countries other than India. Sri Lanka and Bangladesh both have trading relations with Nepal, while Maldives have none. Exports from Nepal to India increased from 82.1 per cent in 1990 to 90.6 per cent of its total exports in 1993. In 1992, India accounted for around 98 per cent of its total exports. Bangladesh and Sri Lanka accounted for around 8.3 per cent and 1 per cent of its exports respectively in the year 1993.

Nepal has undergone drastic economic reforms during the last few years. In the process, tariff rates have been slashed significantly. Exchange rate is fully determined by the market (except for trade with India). Industrial licenses have been curtailed. Most of Nepal's growth in exports can be attributed to garment industries. The coverage ratio of exports to imports has improved to 71 per cent, from the level of less than 50 per cent in 1950. The depreciation of Nepal's currency along with the continuing liberalization process, are expected to result in higher growth in Nepalese exports in the near future.

SAPTA would help Nepal to expand trade in the region because under this arrangement there will be pooling of resources and market, lower transport and transit costs due to geographical contiguity, relatively more compatibility of capital and intermediate goods produced within the region, efficiency gains due to increased intra-regional competition, and an amicable environment as regional economic ties grow stronger. The tariff structure and trade policies of Nepal are already the closest to the ones laid down under SAPTA among the SAARC countries.

PAKISTAN

Bangladesh, India and Sri Lanka account for more than 90 per cent of Pakistan's trade transactions in the region. In 1993, Bangladesh accounted for 26 per cent of Pakistan's total exports to the region which predominantly consisted of rice, raw cotton and cotton yarn. 49 per cent of Pakistan's imports from the region come from Bangladesh. It imports tea, raw jute and jute manufactures from Bangladesh. Pakistan's imports from Sri Lanka in the nineties have declined marginally. In 1990, it imported around 31 per cent of total imports into the region from Sri Lanka. That declined to around 26 per cent in 1993. Exports to Sri Lanka have declined as well during this period. In 1990, exports to Sri Lanka from Pakistan accounted for 30.5 per cent of total exports to the region. They decreased to around 28 per cent in 1993. However, they fell to 23.8 per cent in 1992 and increased by 4 per cent in the year 1992–93. Primary commodities like basmati rice, cotton and dried fish have been the major export items of Pakistan to Sri Lanka. Residual fuel oil has emerged as an important export item in the manufacturing category. Tea and rubber comprise 70 per cent of Pakistan's imports from Sri Lanka. For India, there has hardly ever been a single export item exhibiting a consistent trend over the last 10 years. Trade with India appears to have been guided by taking care of temporary exportable surpluses or to counter temporary shortages that developed. Major import items from India are tea, vegetable products and iron ore. Exports to India from Pakistan have witnessed a gradual increase in the post-liberalisation phase. In 1991–92 they were in the range of 37 per cent of total exports to the region. However, in 1993, exports to India were around 45 per cent of the total exports from Pakistan to the region. Imports from India in the period 1990–93 remained static at around 22 per cent of its total imports from the region although in 1992 imports from India went up to 37.7 per cent of its total reginal imports. Trade with other SAARC countries has been very erratic and quite insignificant. In 1993, the Maldives accounted for 0.07 per cent of

Pakistan's exports, while Nepal accounted for 0.6 per cent thereof.

Pakistan is the only country in the region which has shown a negative growth in exports during the year 1993. Imports having increased, there was a significant trade deficit in 1993. Most of the growth in imports was due to shortage of wheat and edible oil in the domestic economy. Pakistan's deficit on current account has been persisting for a number of years and it reached a level of 4.7 per cent of GDP in 1993. The position of foreign exchange reserves is fairly good and its currency has appreciated against the US$ during the past few years.

SAPTA would bring immense benefit to Pakistan as well. It would help to increase the trade potential of Pakistan i.e. by gaining access to a huge import and export market of the other regional economies. Also, under that arrangement, regional investment, joint ventures and technical collaboration would be forthcoming which could be more appropriate and cost effective than similar transfers effected by transnational corporations from outside the region. Under SAPTA, Pakistan could benefit from the Indian experience in computer software, production of steel, aluminium and other metals, and sophisticated machinery. Similarly, Pakistan could supply India with technology of sports goods, electric fans, water coolers and other consumer goods. SAPTA would lead to the opening of transit facilities which, too, would help promote intra-regional trade.[11]

SRI LANKA

India and Pakistan have been Sri Lanka's major trading partners of in the subcontinent. However, Bangladesh, Maldives and Nepal have also emerged as her trading partners recently. Around 74 per cent of its imports and 87 per cent of its exports are with India and Pakistan. In the 90's, the imports from Pakistan have been gradually on the rise while imports from India have been consistently declining. In the period 1990–93, Pakistani imports have increased from 46.4 per cent to 54.4 per cent. Imports from India and Bangladesh have declined while imports from Nepal have increased to around 15 per cent of the total imports from the region in 1993. Sri Lankan exports to India increased from 64.1 per cent in 1990 to 69.4 per cent while exports to Pakistan decreased from 28 per cent to 17 per cent in 1993. Exports to Bangladesh also declined to 2.4 per cent in 1993 while to Maldives they were static at around 3 per cent. Trade is limited to a few commodities. Sri Lanka exports cloves and rubber to India (more than two-third of the export), tea and rubber to Pakistan (more than 70 per cent)—mostly primary commodities. It imports dried fish, cotton and rice from Pakistan (73 per cent) while from Bangladesh and Nepal it imports jute and lentils respectively.

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[11] Ibid, p. 23 to 25.

Inspite of unfavourable internal factors, Sri Lanka's export sector has not performed badly. Sri Lanka's exports increased in 1993 by around 14 per cent. The export performance is largely attributed to the continued expansion in industrial exports and marked recovery in agricultural commodities. Total expenditure on imports increased because there was an increase in imports of durable consumer goods, intermediate goods and capital goods. Thus, the sharp difference in growth of imports and of exports has led to a considerable deficit on the trade account. Deficit on the current account increased from the level of 4.7 per cent of GDP in 1992 to 5.9 per cent in 1993. Further, the real effective exchange rate has more or less remained stable during the last couple of years.

For Sri Lanka, SAPTA could act as a catalyst in the industrialisation process. It would encourage intra-regional trade by maximising trade in many products, including primary products, food production and processing in which Sri Lanka has a comparative advantage. A list of products has been prepared by the Sri Lankan Government in consultation with the private sector—i.e. those products for which Sri Lanka has a comparative advantage.

Trade expansion in the Region

The above analysis does not leave any room for doubt that there is a good scope for trade expansion in the region. Trade expansion is extremely necessary for achieving higher economic growth and self reliance of the region. It can be based on the existing patterns of commodity trade as also by deliberate policy measures based on the extent of competitiveness and complementarity prevailing in the region. There exists a large potential, too, in terms of trade diversion from traditional sources.

The products traded within the region are based on the natural resources endowment of the region and consist mainly of foodstuffs, industrial raw materials, semi manufactured goods including intermediate goods and to some extent capital goods. Except India and to some extent Pakistan, the export of the rest of the countries in South Asia consists chiefly of food stuffs, raw materials & traditional manufactures.

Due to similarities in resource potential & structure of various economies of the region, there is a great deal of competitiveness and overlapping in the production of such items in trade as jute, cotton & tea. Pursuance of the import substitution policy in most of the countries of the region had led to the establishment of similar industries, mainly in consumer goods. These industries have inefficient management, depend on imported new materials and are sheltered by protectionist policies. There is a potential for increasing their competitiveness in the international market so that they gain comparative advantage & become export oriented. Since there is a potential complementarity in the region, there is scope for trade expansion by easing import restrictions on regional products which are not being traded at present as major export items.

Enhancement of intra-regional trade by trade diversion is also a good possibility. The unit values realized by SAARC countries in their export to regional countries are higher than those to the rest of the world, specially in goods where freight cost is significant. This is specially true in regard to the export of tea & raw jute by Bangladesh, coconut oil by Sri Lanka, and black pepper, iron ore and powerloom fabrics exported by India.

Even in the case of imports, the average import cost of an item is lower when imported from a regional source than from the rest of the world. For example, cotton yarn grey and bleach imported by Bangladesh have been cheaper when imported from regional sources than from the rest of the world.

Thus, in order to push trade in the region we need to identify potential tradable products and simultaneously protect infant industries through appropriate safeguard measures. Table 15 identifies a list of potentially tradeable products among SAARC coountries. The products reflect the resource endowment of the region. However, the list is not exhaustive and with economic growth, it will be possible to identify more potentially tradable products, thereby adding to the list. It should help design policy to expand trade among SAARC countries.

Table 15

Identification of Actual and Potentially Tradeable Products of SAARC Countries

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BANGLADESH·

A. *Exports to SAARC Region*

Tea, Raw jute and cuttings; Hides and skin; Leather, Leather goods, Jute goods (including carpets) ; Fertilizer (urea) ; Textile fabrics (including special quality saree fabrics such as Jamdani sarees) ; Fish, Fish meal and other fish products; processed food; footwear; plastic products; Electric and electrioni goods; ceramic tablewere; stainless steel cutlery and crockeries ; sports goods; Toys; Newsprint

B. *Imports from SAARC Region*

Cereals; Fruits and vegetables; spices, crude, rubber and rubber manufactures, crude fertilizers; cotton textile yarns and fabrics; coal: coke and briquet; Limestone; Dyestuffs; Metal manufactures; Non-electrical machinedry; Transport equipments; Timber, Boulders, Dolomit, super phosphate parts; cement; Milk and cream power; synthetic fibre; passenger motore cars; Wheat, Unmilled; Petroleum crude; Kerosene; Animal fats; Soyabean oil; palm oil

BHUTAN

A. *Exports to SAARC Region*

Power, Cement; Timber, Calcium carbide; Agricultural products; Fresh fruit; Cardamom; Handicrafts; Dolomite; Gypsum

B. *Imports from SAARC Region*

Petroleum products; Machinery and tools; Consumer goods; Harware; Construction materials; Intermediate and capital goods; Tea; Rice; Automobile and accessories; Bitumen, Textiles

INDIA

A. *Exports to SAARC Region*

Dried and smoked fish; Coffee; Instant Coffee; mango pulb; soft drink concentrate; tobacco; silk goods; textile yarn; Woven cotton fabrics; synthetic and rayob textiles; Cane sugger refined; Cement; gases; oilcakes; Handloom goods; Automobile tyres and tubes; All plastic products for packaging; Drugs and pharmaceuticals; Inorganic and organic chemicals; Industrial and medical gases; metal products such as strll tubes; metal working machinery; iron ore; pipes; sanitary fittings; Seamless tubes; Sheets of iron and steel; Fabricated construction material; industrial fasterners; Kitchenware; Tin plate; Railway track material etc; Aluminium; Internal combustion engines; pistons; pumps; compressore; Agricultural machinery and implements; testing and scientific instruments, Civial engineering equipment s; Textile machinery; Electrical machinery and household electrical equipment; Commercial vehicles; passenger cars; Two-three wheelers; Bicycles and parts thereof; consumer electronics; Office equipment; Telecommunication equipment; Fishing equipment; Coir yarn and products; tea; beer; castor oil; plastic products; building materials; explosives and detonators; Hand tools; Long staple cotton; Dyes and dyestuffs; agro chemicals; Plastic raw materials; Reclaimed rubber, pressuer cookers; Wires; Drawing machines; machine tools; pumps centrifuges; Steam boilers and parts; Mild steel products; special steel; Foils; Stainless steel; power generation and distribution eqipments; Oil prospecting equipment; Railway locomotives & equipments; Verterinery medicines; Basmati rice

B. *Imports from SAARC Region*

Natural rubber, sole crepe; Copra; Tea; Coca; Natural gums; spices; Cloves; Pulses; Dried vegetable and fruits; Scrap tyres and rubbers; Automotive components; Raw hides and skins; Coir products; Marine products; Electrodes; Lubricants; precious and semi-precious stones such as gouda; Raw cotton small and medium staples; Raw wool; carpets; Cotton fabrics; Rice semi-milled; Rock salt; Furnace oil; Naptha; Gypsum; Onyx; Industrial alcohol; Rock phosphate; Granite rocks; pig iron; Iron scrap; Sulphur; Unroasted iron; pyrites; carbon black; Vegetable oils; Chemicals; Hserbs; Unani medicinal preparation; Artificial resins and plastic materials; Soda ash; Pearls; Precious and semi-precious stones; Agro-chemicals; Automotive compenents; Handloom and Zamdani sarees; Fertilizer; Bamboo; wood pulp; paper and Board; Newsprint; Natural gas; Fresh water fish; Raw jute and jute yarn; Jute carpets; Goat and with skin; Leather; Leather of other bovine cattle; Molasses; Timber; Cane fertilizer; Handicraft goods including thanka paintings; Calcium carbide; Wood and forest products; Fresh and processed fruits and juices; Scrap paper; Fruits and vegetables; Animals and vegetables oils and fats; Butter; Light engineering items; Maize powder, Oilcakes; Large cardamom; Kateechu; Woolen items; Marine products; Shark liver oil; Dry skipjacks; Coral shells and red cora

MALDIVES

A. *Exports to SAARC Region*

Dry skipjack; Salted dry Skipjack; Canned fish; Salted dry reef fish; Cowrie shells; Red coral; Dry shark fins; Fresh skipjack; Shark liver oil; tropical fish; Fabricated mica; Garments

B. *Imports from SAARC Region*

Vehicles; Mineral products; Machinery; Vegetable products; Prepared foodstuffs; Beverages; Tobacco; Taxtile; Leather and footwear; Cement and glass

NEPAL

A. *Exports to SAARC Region*

Live animals; Dairy products and eggs; Fish and fish preparations; Vegetables and fruits; Coffee; Tea; spices; Animal feed; Miscellaneous food products; Oilseeds and oleaginons fruits; Textile fibre and waste; crude fertilizer and mineral; Fixed vegetable oil and fata; Dying; Tanning and colour material; Chemical; Leather and its prodicts; cork and wood products; Textile yarn and fabric; Clothing; Rice; pulses; Timber; Railway sleeper; Raw jute and jute bags; Large cardamom; Medicinal herbs; Water turbines; catechu; Oilcakes; Ginger (dried and fresh); Honey; Magnesite; Lead; Zinc; plastic and rubber footwears; Rubber form; Plastic Kitchenware; Leather footwear

B. *Imports from SAARC Region*

Live animals; Cereal and cereal preparations; Vegetables and fruits; Sugar preparation and honey; Coffee; Tea; spices; Tobacco and tobacco manufacturing; Taxtile fibre and waste; POL products; Fixed vegetable oil and fats; Medicine and pharmaceutical products; Fertilizer manufactured. Plastic material and resin; Rubber manufactures; Taxtile yarn and fabric; Non-metallic mineral manufacturing; paper and its manufactures; power generating machinery; Machinery for special industries; General industrial machinery and parts; Telecommunication and sound equipment; Electrical machinery and parts; Road vehicles; Clothing; Bitumen; Office equipments and stationeries; Soap; Automobile; parts; Carpets; construction materials; Construction equipments; Rice (Basmati); Dry fruits; Empty bottles; Raw Cotton; Raw wool; Edible nuts; Rubber sheets; Gypsum; Cement; Lime; Iron and steel bars, Rods; Universal plates and sheet of iron and steel; Tubas, pipes and fittings; Iron and steel structures and plastic; Automobiles; Coal and cake; Milk products; Sports goods; Newsprint; Paints; Sanitarywares; Salt

PAKISTAN

A. *Exports to SAARC Region*

Dry fruit; Fresh fruit; Fresh and dired vegetables; Rice; Dressed and frozen chicken; Fish, salted, dried, smoken and frozen; Raw cotton, Natural gums, Resins and lacs; Residual fuel oils; Leather and leather goods; Onyx; Like stone; marble Chips; Mineral products like sulphur; Gypsun rock; Rock salt; delineate; Manganese chromite etc. Medicines; Yarn, Fabrics; Pure cotton garments; Other textile goods; Art silk fabrics; Readymade garments; Carpets; Lubricants; medical instruments; Iron and steel blooms, slabs and plates; Agrculture implements; Tractors; Reapers; Threshers; Other agricultural machinery; Light engineering goods like grinders, Drilling machines; Pump tools; Sugar plants; Cement plants; Cutlery; Utensils; Structural iron and steel products; Heating and cooling equipment; Electric power machinery; Switchgears; Insulatros; Railway equipment; Motor vehicles and parts; Ships and boats; Measuring equipment; Electric fans; Motors; Other electrical appliances; Sports goods; Cigarettes; Handicrafts

B. *Imports from SAARC Region*

Dry milk; Whet; Tea; Natural rubber; Synthetic rubber; Bamboos; palm/Coconut oil; Medicaments; Mini cement plants; Mini sugar plants; Chemicals; Machinery; Engineering goods.

SRI LANKA

A. *Exports to SAARC Region*

Tea; Rubber; Cloves; Coconut oil; Petroleum products; Fabrics; copra; Betel; Rubber sole crepe; Footwear; Salt; Arecanuts; Nutmeg; Mace; Buck wheat; Natural graphit; Tobacco; Edible vegetable roots; Boats; Mattress; Fibre; Coir palmyroh.

B. *Imports from SAARC Region*

Dried fish; Cotton; Rice; Jute; Lentils; Bituminous mixture; Sugar beet and cane; Rice husked; Oniouns; Raw Cotton, Paper; Potatoes; Dried leguminous vegetables; Dried chillies; Cinematographic films; Locomotives; Heavy and light vehicles; Cotton yern; Unbleached cotton fabrics; Newsprint; Rock salt.

Source : SAARC Study on Trade, Manufactures and services, published by SAARC Secretariat, Kathmandu

Constraints On Trade Expansion[12]

The dependence of SAARC countries on trade has been growing, but there has been very little improvement in intra-regional trade. Significant complementarities exist among SAARC countries where trade is concerned. Sri Lanka, Bangladesh and India compete in exporting tea while Pakistan is a net importer of tea. Pakistan and India are exporting cotton while all the other countries of the region are net importers of raw cotton. Why then has trade among SAARC nations not expanded?

The major constraints on trade expansion among SAARC countries may be identified as follows:—

(i) *Restrictive Trade Policies*: Restrictive Trade Policies characterised by high nominal tariffs and a variety of non tariff measures and restrictive import policies have hindered healthy SAARC intra-regional trade. In some cases even when member states have negative lists & there is no outright ban on import of goods, the import from a member state is restricted and limited to specified quantity of goods. The import substitution strategy followed by most of the SAARC countries has made their production highly competitive in some cases.

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[12] SAARC Trade, Manufactures and Services, published by SAARC Secretariat Kathmandu, p. 60 to 64.

(ii) *Lack of information* : Lack of information in terms of export potentials, import needs, domestic economic policies, tariff and non-tariff barriers, demand and supply situation & investment prospects has been a major constraint in regional economic co-operation. There needs to be more intensive communication between the business, industry and the respective chambers of commerce of these countries. The establishment of the SAARC Chamber of Commerce with headquartres at Karachi has helped this process but the progress during the last three years of its existence has been halting. Due to long dependence on goods from outside the region, consumer taste has developed for such items and there is resistance to accepting goods from within the region. The regional products, therefore, have to compete successfully with those from outside in terms of price and quality.

(iii) *Resource Constraints* : The efforts of the SAARC countries to finance imports through export earnings had remained somewhat static for quite some time. Most of the imports were financed through external assistance tied to the source and the borrowing countries in the region had little choice in importing goods/commodities from countries of their choice. What is required is a discreet use of clearing & payment arrangements & promotion of mutually advantageous counter trade. The existence of idle capacities can be effectively utilized through demand stimulation provided supplementary actions in the form of loans to the importing countries are provided by the exporting country in the region to finance their imports.

(iv) *Non-availability of exportable surpluses* : Non-availability of exportable surpluses of desired specifications, poor quality of goods & lack of standardization are other major constraints on regional trade.

(v) *Low production efficiency* : Low production efficiency and high export competitiveness of the region has been one of the chief obstacles for intra-SAARC trade. This can be ascertained by the fact that the Domestic Resource Cost (DRC) of earning (Saving) one unit of foreign exchange through manufacturing processes has exceeded substantially the official or even the 'equilibrium' exchange rate. The restrictive trade policies have also been responsible for low production efficiency in these countries.

(vi) *Inadequate Transit-Facilities & Transport Networks*: These are a major obstacle to productive trade. Bhutan & Nepal are land locked countries and in the absence of road & rail links with other SAARC countries besides India, they have to pay, heavy freight charges in transporting their goods to the SAARC region across India. Lack of good shipping facilities, transport cost, handling charges and delays in delivery of goods are major impediments to expansion of trade.

The physical logistics of freight movement are quite important for trade. The Technical Committee on Transport and Communications of SAARC has deliberated to some extent on these issues. These discussions have, however, been confined to the official level of the Member States. In the context of economic liberalisation in all the Member States, the private sector has a great potential for playing a very useful role in improving the transport service facilities like railways, roads, shipping and ports. There are immense possibilities for undertaking regional projects through cooperation among Member States. There is also scope for sub-regional cooperation in specific areas like inland waterways and coastal shipping in the region.

(vii) *Imbalances in Trade*: Trade imbalances among the SAARC countries discourage expansion of trade. India has maintained a persistent surplus in the balance of trade with the countries of the region except Pakistan with whom India mostly had a trade deficit.[13]

(viii) *Lack of standardization*: Lack of standardization of documents, including letters of credit, and complex customs procedures, delays in delivery schedules, lack of quality control, and lack of access to latest technologies inhibit trade in the SAARC region. Trade restrictions for business people & lack of dialogue between the government & the business circles of the region hinder trade in the region. Ill effects of imports on infant industries, particularly in the smaller countries also act as a dampener.

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[14] Report of the SAARC Meeting of the Group of Experts for the Tripartite Study on Issues of Economic Cooperation, June 6–7, 1996, New Delhi, published by RIS New Delhi.

It will be necessary for SAARC countries to establish a mechanism through the SAARC Chamber of Commerce to constantly hammer at these inhibitive factors and get them out of the way as quickly as possible.

From SAPTA TO SAFTA

Thus, the Agreement on SAPTA aims at trade expansion among the members through exchanging concessions relating to tariffs, para-tariffs, non-tariff measures and direct trade measures. The SAPTA process began with the member states exchanging their offer lists. That resulted in the first schedule of tariff concessions covering 226 products. In the second round 800 products have been identified for the purpose. There are several issues, however, that need to be highlighted in this context.[14]

(i) Concessions have been exchanged only in the realm of tariffs. Progress on removing non-tariff barriers is still very slow.

(ii) The Agreement on SAPTA allows for various approaches to trade liberalisation such as product-by-product, across-the-board tariff reductions, sectoral approach and direct trade measures. So far only the product-by-product approach has made progress.

(iii) The trade of items, to which concessions have been extended, is quite low. In fact, for many of the products bilateral trade flows are zero. Moreover, the preferential imports account for a very low share of total intra-SAARC trade. However, a more important issue is to identify products with high trade potential by examining trade complementarities on one hand and production complementarities on the other. Even in sectors where countries are competitors, possibilities for intra-industry trade should be explored.

A recent RIS study has computed indices of trade complementarities and production complementarities using cosine measures at the SITC 3-digit level. In this study, it was noted that trade complementarities indices are very low in magnitude among the SAARC countries while production complementarities measures are quite high. This shows that efforts could be made to translate production comple-mentarities into trade complementarities through trade-creating joint ventures, regional projects, etc.

(iv) Another issue relates to the dovetailing of tariff concessions under SAPTA with other arrangements/agreements like the WTO, GSTP, Bangkok Agreement and Indo-Nepal Bilateral Treaty.

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[14] V.R. Panchamukhi, V.L. Rao and R. Upendra Das, Trade and Industrial Development in South Asia and Linkages with Other Sub-Regions in Asia (February 1996).

Exact modalities of SAPTA's transition to SAFTA need to be laid down. For this purpose drawing lessons from the AFTA (ASEAN Free Trade Arrangement) is useful. This includes setting up of a definite time-frame for each step towards its objective with an overall period of transition.

Like AFTA's Common Effective Preferential Tariff (CEPT) Scheme, which includes reduction in both tariffs and Non-Tariff Barriers (NTBs), the whole liberalisation process could be put on normal and fast tracks with time frame stipulated for each. The features of the two tracks are as below:

Normal Track

- products with tariff rates above 20 per cent will have their rates reduced to 20 per cent by 1 January 1998 and subsequently from 20 per cent to 0 per cent by January 2003;
- products with tariff rates at or below 20 per cent will have their rates reduced to 0 per cent by 1 January 2000.

Fast Track

- products with tariff rates above 20 per cent will have their rates reduced to 0 per cent by 1 January 2000.

The transition from SAPTA to SAFTA (South Asian Free Trade Area) would definitely increase the trade potential of the region. A fast track transition to SAFTA is the need of the hour. SAFTA would enhance the economic potential of the region, too, and help SAARC to take harmonized positions affecting their economic interest as a whole. If we look at other arrangements like ASEAN, AFTA, or NAFTA, most of them have set definite time-tables to move towards the free trade arrangement.[15]

During the conference on SAARC 2000 & Beyond in March 1995 at the India International Centre, New Delhi, the author proposed that SAPTA should become SAFTA by the year 2005. A recommendation to that effect was then adopted by the conference and was forwarded by Dr. Karan Singh to all the Heads of State/ Govt. of SAARC countries before the 8th summit in New Delhi in May 1995. All the SAARC members states being members of the World Trade Organisation, have already committed themselves to a phased trade liberalisation at the global level. As such, the rationale for regional trade liberalisation can only be based on a more rapid pace of liberalisation at the regional level. At the SAARC summit in Delhi in May '95 the Heads of State/Governments not only resolved to convert the region into a free trade area no later than 2005 but also agreed to evolve a 'charter for action' to work out the modalities of SAFTA. Such a decision and call for action is a turning point in the history of SAARC.

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[15] I.N. Mukherjee: Transition from SAPTA to SAFTA in S. Ghosh and S. Mukherjee (ed) Emerging South Asian Order-Hopes And Concerns p.197.

Some of the modalities that can be adopted by the SAARC countries to move towards SAFTA are:—

1) Gradual easing out of high tariffs and widespread practices of non-tariff barriers including quantitative restrictions.
2) Outright ban on discriminatory practices.
3) Harmonisation of tariff nomenclature, and of standards and quality.
4) Macroeconomic consultations among SAARC countries.
5) Coordination of investment among SAARC countries.
6) Co-operation in the area of transport and communication with a view to accelarate the flow of goods & services in the region.

In order to facilitate the movement towards SAFTA, the SAARC countries can prepare a common preferential tariff scheme, as in AFTA, to reduce tariff and non-tariff barriers among themselves on a graduated scale each year. Under this scheme intra-regional tarrifs on all manufactured and processed agricultural products could be reduced to 5 per cent or less within 5 years. Each country can also be asked to issue its respective legal instruments to effect these tariff reductions.[16]

The SAARC Chamber of Commerce and Industry (SCCI) has proposed a four point action plan to boost intra-SAARC trade and investment. It has suggested the following measures :—

(i) the setting up of a regional quality standard certification organisation,
(ii) insurance of visas without procedural formalities to the businessmen travelling within SAARC countries,
(iii) developing a number of regional multinationals which can take on the global corporations and
(iv) avoidance of double taxation among the countries in the region.

The SCCI authorities also said that an Independent Commission On South Asia Free Trade Area (SAFTA) was being set up by it to look into the various issues relating to the emergence of free trade & specifically to address the cross reduction of tariffs. Experts from all seven countries are to be drafted into the Commission. It is important that the Commission is set up without delay.

Manufacturing and Services[17]

As stated earlier the SAARC trade is basically based on primary commodities. Manufacturing and service trade have played very little role in the context of SAARC trade. In recent years industrial joint ventures and transfer of technology have played a useful role in the growth of trade in arrangements like ASEAN, the European Community and NAFTA etc. International trade in services also has became a major source of foreign exchange earnings. Therefore, joint ventures and technology transfers in the area of manufacturing and services have emerged in recent years as a major form of cooperation between enterprises of developing countries. They have become an important source of acquiring much needed capital, technology, entrepreneurship and organizational resources particularly for the developing countries of the world.

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[16] See SAARC : Moving Towards Core Areas of Cooperation, Modina Printers, Dhaka, Bangladesh, 1993.

[17] See SAARC Trade Manufactures and Services pp. 84 to 88 and Report on Latest Development in SAARC published by PHD Chamber of Commerce, New Delhi, 1993, p. 10 to 14.

Joint ventures in whatever form, sharing of technical knowledge and expertise or establishment of a firm in a host country through foreign partnership or pooling investible resources of various countries, would promote industrialization in the SAARC countries as well.

As far as SAARC countries go, industrial development is relatively stronger in India and Pakistan than other countries. There some import substitution has taken place in both the intermediate and capital goods sector. In other member states the industrial sector consists chiefly of food processing, textile and light consumer goods. That is quite evident from the pattern of exports from these countries. Therefore sharing of mutual experience will be beneficial for all the member states and would contribute to the development of collective self-reliance.

Table 16 (A & B) gives a detailed list of Projects & Areas identified by the member states of SAARC for setting up joint ventures on technological transfers. What is needed now is speedy action to realize them. Table 17 identifies areas where such collaboration may be feasible in the immediate run.

Table 16 (A)

Projects/Sectors/Areas where Bangladesh, Maldives, Nepal & Sri Lanka invite Joint Ventures

BANGLADESH

1. Textile and Apparel; Tobacco manufacturers; Footwear; Fertilizer; Metal products; Agricultural tools and equipment; Pharmaceutical products; Electrical goods and accessories; Electronic equipment and components; Ceremic products; Plumbing materials; Construction equipments, Automobile spare parts; Bicycles; Rickshaw and parts; Cosmetic and toiletries; and Miscellaneous Engineering and Capital goods.

Agro-based Industries such as frozen food; Food preparation; Fruit products; Fish-meal and other fish products.

2. *Export-Oriented Ventures*
    - (i) Textiles Products

      (a) Textile Fabrics; (b) Cotton and non-cotton, and textile dyeing and finishing.
    - (ii) Engineering products and Capital Goods:

      (a) Textile machinery and parts; (b) Power Looms; (c) Agricultural machinery (Diesel Engines; Power Pumps and Tillers); (d) Electrical Machinery & Appliances; (e) Transformation; (f) Electric Motors; (g) Bulbs and Cables; (h) Transportation Equipments; (i) Machine Tools and Metal Products
    - (iii) Plastic Cotton

      (a) PVC Pipes and Tubes
    - (iv) Ceramic Tableware
    - (v) Packaging Materials
    - (vi) Paper and newsprint
    - (vii) Synthetic Fibre

MALDIVES

1. *Food Processing*

   (a) Starch and Syrup manufacturing; (b) Surimi and surimi based food manufacturing; (c) Fish meal manufacturing; (d) Instant noodles; (e) Fruit juice; (f) Biscuit
2. *Agro-based Industries*

   (a) Assorted animal food manufacturing; (b) Fishing net manufacturing; (c) Shark skin product
3. *Plastic Product*

   (a) Plastic bowl and bottle manufacturing; (b) Polythene shopping bag; (c) Plastic woven bag; (d) Fibre glass and Plastic
4. *Electrical Goods*

   (a) Ice Making, refrigeration & Cold Storage; (b) Electrical appliances, fittings
5. *Husk fired/Thermal Power Production*
6. *Galvanized Iron Steel*
7. *Glassware and Bottles*

8. *Bottle Block Manufacturing*
9. *Container Board Manufacturing*
10. *Sanitary Napkins*
11. *Print*
12. *High Class Jewellery*

NEPAL

1. *Cotton Textile*
2. *Engineering*
3. *Construction*
4. *Agro based Industry*
5. *Paper Industry*
6. *Jewellery Industry*
7. *Mineral Based Industries*
8. *Energy based Industry*

SRI LANKA

1. *Rubber Products*

   (a) Rubber bands, Rubber coir; (b) Household Gloves; (c) Solid Tyres; (d) Rubber sealing; (e) Rubber mat; (f) Automotive Components and other Moulded Rubber Products
2. *Packing of Tea*
3. *Gem Industry*

Source : SAARC Study on Trade, Manufacturers and Services, Published by SAARC Secretariat, Kathmandu.

Table 16 (B)

Projects/Sectors/Areas identified for setting up Joint Ventures & Technology Transfers between India & Pakistan

INDIA

1. *Local Market Oriented Ventures*
   (i) Food Processing
   Fruits and Vegetables processing; packing; canning and preservation; Breakfast foods, dairy products, skimmed milk powder, starch and glucose, malt; Edible oil processing; Sugar mills; Instant tea and tea blending and packaging

- (ii) Agro-based Industries
  Pulp and paper mills; Bagasse based news-print plant, Straw board, bags, ropes, mats, etc.; Coir products such as rubberised coir mattresses, coir yarn, carpet mats, coconut shell charcoal as filter for plastic products, coconut obsed animal feeds etc. Solvent extraction from rice bran; particle board plants
- (iii) Textiles and Leather
- (iv) Metal and Metal Products
- (v) Transport Equipment
  (a) Automobiles—two-wheelers; three-wheelers; light and heavy commercial vehicles; (b) Bicycles and parts; (c) Automobile Components; (d) Gas-based power plants
- (vi) Non-electrical Machinery
  (a) Agricultural machinery and tractors; (b) Jute, Textile machinery and spares; (c) Tools; (d) Foundries
- (vii) Electrical Equipment and Machinery
  (a) GLS Lamps; (b) Electrical distribution; (c) Household electrical equipments
- (viii) Electronic and Telecommunication Equipments
  (a) Electronic goods such as computers, TV sets, digital watches; (b) Rural Telecommunication equipment based on C-DOT technology
- (ix) Chemical
  (a) Nitrogenous fertilizers; (b) Industrial chemicals; (c) Pharmaceutical; (d) Paints and varnishes; (e) Pesticides.
- (x) Mineral based Industries
  (a) Cement; (b) Stone and lime industry; (c) Sanitary-wares ceramics; (d) Refractories
- (xi) Rubber and Plastic Products
- (xii) Energy
  (a) Thermal Power; (b) Gas-based Power plants; (c) Hydroelectric power; (d) Biogas plants; (e) Petroleum refining

2. *Export Oriented Ventures*
   - (i) Garment Industry
   - (ii) Sericultural
   - (iii) Fishing and Deep Sea Fishing
   - (iv) Coffee
   - (v) Gems
3. *Regional Projects*
   - (i) Newsprint
   - (ii) Wood Pulp

- (iii) Gas Based Fertilizer Plants
- (iv) Phosphatic Fertilizers
- (v) Rubber Products
- (vi) Metallurgical Coking Coal

PAKISTAN

1. *Local Market Oriented Ventures*
   - (i) Food Processing
     Fist-meat industry; non-alcoholic beverages
   - (ii) Agro-based Industries
     Development of fisheries; boat manufacturing; Packaging and distribution to tea; edible rice barn oil
   - (iii) Jute and Cotton Textiles
     Jute and Textile machinery, Garments; Integrated textile mill with spinning, weaving and finishing facilities
   - (iv) Leather Goods
     Leather goods manufacturing, Tanning/curing of hides and skin
   - (v) Rubber and Plastic Products
   - (vi) Pharmaceutical
   - (vii) Mineral-based Industries
   - (viii) Carpet Industries
   - (ix) Chemicals
   - (x) Light Engineering Sports; Surgical Instruments; Storage batteries
   - (xi) Electrical Engineering
   - (xii) Electronics
   - (xiii) Power Plants
   - (xiv) Automobiles
   - (xv) Paper

Source : SAARC Study on Trade, Manufacturers and Services, Published by SAARC Secretariat, Kathmandu.

Table 17

Projects/Sectors/Areas where Joint Ventures and Transfers of technology seem to be Feasible

1. *Local Market Oriented Ventures*
   Frozen food; Food preparation; Fruit products; Fish-meal and other Fish products; Starch and syrup manufacturing; Semi and surmi based food manufacturing; Instant noodles; Fruit juice; Biscuit
2. *Agro-based Industries*
   Assorted animal feed manufacturing; Fishing net; Shark skin products; Bagasse based newsprint plant; Coir products; Packaging and distribution of tea; Carpets

3. *Textile and Leather Products*
   Textile and apparel; Textile fabrics; Cotton and non-cotton and Textile dyeing and finishing; Garments; Integrated textile mill with spinning, Weaving and finishing facilities; Leather products; Sanitary napkins
4. *Rubber and Plastic Products*
5. *Mineral Based Industries*
   Ceramic products; Sanitary wares; Cement
6. *Metal and metal Products*
7. *Chemicals*
   Fertilizer, Pharmaceutical products; Plastic; pesticides
8. *Transport Equipment*
   Automobile spare parts; Bicycles and parts
9. *Non-electric Machinery*
   Agricultural Machinery (Diesel Engines, power pumps and Tillers) Agricultural Tools and Equipments, Taxtile machinery and parts; Plumbing materials;
10. *Electrical Equipment, Goods and Machinery*
    Electrical machinery and appliances; Electronic equipment and components; Electronic goods and accessories.
11. *Energy Based Industries*
    Thermal power plants

Source : SAARC Study on Trade, Manufacturers and Services, Published by SAARC Secretariat, Kathmandu.

Cooperation in the Service Sector in the SAARC Region

International trade in services has become a major source of foreign exchange earnings. According to the IMF, about one-third of world trade is in the services. Hence there is an urgent need to enhance the contribution of services to the external sector of national economies in the SAARC region and to boost the potential in this field. Regional and sub-regional cooperation among SAARC countries would not only stimulate service exports but would also facilitate mutual trade in goods.

Service sector co-operation in the SAARC region could be very promising in the field of tourism, consultancy & design, services for small scale industry development, computer software, research & development, international trade and transport, construction etc.

(a) Tourism & Hotel Industry: These generate new demands for goods & services and thereby accelerate the pace of economic development. After the oil industry, tourism is the largest industry in the world. The Male summit's decision to institutionalize co-operation among the tourist industries of the member countries of SAARC with a view to attract tourism outside the region is yet to be fully put into operation. World Tourism Organisations 1996

report indicates that in the year 1995, South Asia received only 4.5 million tourists as compared to 26 million by China, 44 million by USA and 61 million by France. Tourist flows to South Asia generated close to US$ 4 billion as opposed to over US$ 10 billion for China, 9 billion for Singapore, 8 billion for Thailand and 6 billion for Korea. Various factors stand as obstacles in promoting intra-regional SAARC tourism which would need to be addressed. These include:

(i) Non availability of foreign exchange
(ii) Visa & travel restrictions.
(iii) Inadequate transport network.
(iv) Poor telecommunication & postal facilities.
(v) Absence of inexpensive & clean hotels.
(vi) Insufficient development of tourist spots.
(vii) Lack of information about tourist attractions.

Given its panoramic beauty and its rich cultural heritage and diversity, tourism in the region should generate at least US$ 10 billion by the close of this century. There is enough expertise, technology and material resource available in the region to bring that about. The non-official sector should be encouraged to invest heavily throughout the SAARC region to promote tourism, treating the entire region as a single unit. Cooperation in this sector should be part of the thrust area for regional cooperation. Inter alia, two specific steps should also be taken to promote not only tourism but to help more people-to-people contacts in the region and to enhance SAARC consciousness :

1. Develop a first class highway by international standards from Islamabad to Dhaka via North India and designate it as EAST-WEST SAARC Highway. Similarly develop a NORTH-SOUTH SAARC Highway from Kathmandu to Kanya Kumari (with another fork coming from Thimphu). From Kanya Kumari, the North-South SAARC Highway could be linked to Colombo and Male via a SAARC cruise.
2. Establish a SAARC Airlines with appropriate contributions from the seven national airways of SAARC countries linking all the seven South Asian capitals.

(b) Consultancy Services: Consultancy services in design engineering, project implementation, and management of industrial projects are some of the areas which can be fully exploited for the benefit of the development process in the region.

(c) Services for Small Scale Industry Development: These are important both due to their share in total industrial output and their accounting for even a higher proportion of industrial employment. This area should provide no problems for fostering regional cooperation.

(d) Computer Software: This is another area where the SAARC countries can co-operate by jointly developing software adapted to their specific needs & languages.

(e) Joint Ventures for Research and Development: This can be of great benefit to the region. The various SAARC technical committees relating to Health, Agriculture, Science & Technology and Meteorology have specially identified common areas of interest. The significance of Biotechnology, particularly in the field of agriculture & medicine was recognized at the Fifth SAARC Summit in New Delhi in May 1995. (For SAARC missions in S & T please see the section on Science & Technology).

(f) Co-operation in Development Finance: This is absolutely essential in order to provide a fillip to regional co-operation in South Asia. Eventually the SAARC Development Fund should fulfil this role.

(g) Collaboration in the Construction Industry: Joint undertakings in this field could have a deep impact on the spirit of regional cooperation. There is limitless scope for expanded cooperative activities in this field as the vast masses of people emerge out of the morass of poverty into the zone of growth and prosperity.

(h) Banking Cooperation: Banking cooperation amongst the SAARC member countries would greatly help facilitate trade & joint ventures in the region. It would assist building projects in the region by extending syndicated loans in various currencies. The formation of a Regional Association of Commercial Banks (RACB) for implementing such projects in an organized manner is urgently needed. Together with the ACU, banking co-operation in the region is likely to facilitate intra-regional trade through the use of the South Asian currencies and help in meeting short & medium level balance of payments problems of the Member States. The trade finance institutions in each Member Country could co-operate among themselves in the area of exchange of information on trade loans and new trade financing instruments etc.

(i) SAARC Export Promotion Council: The SAARC Chamber of Commerce should establish SAARC Export promotion Councils to promote export of the region's major products, both industrial and agricultural. That would avoid intra-regional rivalry in external trade and foster a regional consortium approach for marketing goods in the global market.

Regional Clearing and Payments Arrangements

Liberalization of trade is likely to lead to imbalances in intra-regional trade at least in the short-run. Trade liberalization should therefore, be accompanied by multilateral clearing payments arrangements (CPAs). Several benefits like rapid settlement of transactions between commercial and central banks in the region can arise from the CPAs. They can also reduce or eliminate exchange rate margins and finally provide guarantee against risk of non-convertibility and/or non-transferability of the value of transactions. The Asian Clearing Union, of which most SAARC countries are also members is a noteworthy example of the multilateral clearing and payments arrangements.

Inspite of most of the SAARC countries moving towards full convertibility on their current accounts and having larger external reserves than before, there is clear advantage in evolving some form of Regional Clearing and Payments Arrangements.

In a transitional period the Asian Clearing Union (ACU) which has been performing a limited clearing and payments function under the Governors of Central Banks should continue and be further strengthened, inter alia, by:

(a) persuading SAARC countries at present outside the ACU to join it; and
(b) bringing tourism within the scope of the clearing arrangements.

As and when SAARC intra regional trade transactions gather sufficient momentum, the creation of a separate SAARC Payments Union, with linkages to other payments arrangements may be considered as discussed below.

Proposal for a SAARC Payments Union

The potential exists in the SAARC context for exploring the possibilities for establishing a full fledged South Asian Payments Union to be managed by the Governors of the Central Banks of the Region as part of New capacity building for closer regional co-operation. The SAARC Technical Group on Trade, Manufactures and Services had also felt the need for a more sophisticated regional payments arrangement in order to promote greater regional trade and co-operation. More importantly, sophisticated payments union is urgently required also for ensuring that the reverse flow of resources from the South Asian Region is stemmed and negotiations with the global financial system and the IMF etc. better co-ordinated among SAARC countries.

The SPU would take the successfully operating Asian Clearing Union concept a step further towards the objective of strengthening trade and payments co-operation among the members of SAARC. Under this scheme, members will agree to subscribe a mutually agreed percentage of their foreign exchange reserves into a central pool. This will be supplemented by a further subscription in national currency. These funds will be vested in the SAARC

Payments Union (SPU) to be managed by the Governors of Central Banks or Monetary Authority, as the case may be.

The foreign currency deposits will be drawn upon to settle intra-SAARC payments deficits on the basis of criteria to be determined. The subscriptions in national currency will remain uncalled except when the Payments Union is required to liquidate its liabilities. For this purpose, each member Central Bank will guarantee the convertibility of the national currency subscription into internationally accepted currency.

SAARC Units of Accounts (SAACU)

The Executive Board of the SAARC Payments Union (SPU) will be empowered to issue SAARC units of accounts (SAACU) to multiple value of the foreign currency pool. The ratio may be changed from time to time in accordance with the exigencies of intra-SAARC trade and payments. To illustrate, if the pool of foreign currency amounts to US$ 1000 million, SAACUs to the value of US$ 10,000 million could be issued, i.e a ratio of 1:10.

The foreign currency deposits in the SPU pool and the SAACUs could be borrowed by members according to a pre-determined Quota and used to settle intra-SAARC trade and payments deficits. The Executive Board shall determine the period for which borrowings may remain outstanding and the interest rate that may be charged.

The foreign currency deposits in the SPU will earn interest and such interest shall be credited to each member's account at periodic intervals to be determined by the Executive Board. The Executive Board shall also determine the modalities for investing the funds in the currency pool. If any member opts out of the scheme, it shall be entitled to its contribution, together with accumulated interest.

The scheme may be operated in four stages:—

Stage I Intra-SAARC deficits will be settled by recourse to each member's Quota in the currency pool, supplemented by drawings on its national foreign exchange reserves, where necessary.

Stage II Intra-SAARC deficits will be settled by part recourse to each member's Quota in the currency pool, and part recourse to its Quota of SAARC and national foreign exchange reserves.

Stage III Intra-SAARC deficits will be settled by major recourse to SAACU supplemented by drawings on each member's Quota in the currency pool and national foreign exchange reserves. Real Effective Exchange Rates of Members will be flexibly managed to reflect changes in price competitiveness.

Stage IV When investment projects that are promoted with bilateral financial assistance from non-SAARC countries involve counterpart expenditure in one or more SAARC members, the recipient may have the right to draw on all or part of its quota in SAACU, to make purchases. These drawings shall be repaid in accordance with arrangements to be determined by the Board of Directors of the SAARC Payments Union.

The SAARC Payments Union will work in close co-operation with the South Asian Development Fund and the SPU's resources can be replenished by the Fund, when the need arises. When a decision is taken by SAARC Governments to make the transition to SPU a detailed, institutional framework and operational guidelines will need to be worked out.[18]

Regional Reserve Fund

Taking advantage of the overall current favourable foreign exchange reserve position in SAARC countries, a SAARC Reserve Fund could be created, as a source of financing each others debit balances.

Regional Trade Financing Facility

Given the importance of export financing as a factor determining export competitiveness and considering the paucity of resources in most SAARC countries for extending such credit, it is recommended that a *Regional Export Financing Facility* be established. Though some SAARC countries have national arrangements for extending export credit, a regional facility has its own advantage in that it can more effectively co-ordinate the activities of national facilities and attract outside resources, give priority to intra-regional trade, and be an effective instrument for the equalization of benefits among member countries.

Regional Development Fund

The South Asian Development Fund, which now also incorporates the SAARC Project Development Facility will be an important component of the system. Since the chief concern and prime objective of the SAARC Development Fund would be to promote growth in the region, its range of activities should include lending for development with a strong emphasis on comprehensive human resource development.

Conclusion

Even if bi-lateral issues like Kashmir or cross border ethnic conflicts or the joint use of river waters occasionally reach fever pitch, there is sufficient reason for the seven countries of SAARC to push the movement towards a South Asian Economic Community through Core Areas of Economic Co-operation. The meetings of Finance Ministers, Planning Ministers & Commerce Ministers of SAARC countries held in New Delhi in 1995 after India assumed its chairmanship in May this year came to the conclusion that finding solutions through Regional Co-operation to the region's critical economic problems, will be mutually beneficial for all the people of South Asia.

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[18] See SAARC Moving Towards Core Areas of Cooperation by IGSAC II pp 52–55. Modina Printers & Packagers, Dhaka, Bangladesh.

With the current food surplus in South Asia and the potential for increased food production, the worst forms of hunger and nutritional deprivation can be eliminated and all segments of the society can contribute more efficiently to increased production and growth.

A Macro-econometric model on regional trade and economic co-operation published by the Pakistan Institute of Development Economics, estimates prototype econometric models for Pakistan, India, Bangladesh and Sri Lanka, which are then linked through foreign-trade equations to explore possibilities of fruitful economic co-operation among these four countries. The study shows that both the GNP and total trade are positively and favourably affected by appropriate regionally-oriented policies.

The Report of the Independent Group on South Asia Co-operation (IGSAC) also recommended movement towards a South Asian Economic Community, going beyond the South Asian Preferential Trade Agreement (SAPTA). SAPTA is merely a framework and an inter-governmental starting point. This could be followed by the bold announcement of a 10 per cent to 15 per cent preferential treatment among SAARC countries for each others manufactures exports and services across the board. It could supplement the tedious product by product negotiations and also stimulate Trade Chambers and other private institutions to push the process forward through private trade channels. There is a precedent in the Commonwealth Preferences under which Commonwealth enterprises enjoyed a preferential tarrif discount.

It is thus evident that intra-regional SAARC Cooperation in areas such as trade, manufactures and services including finance is critically important for SAARC Countries. It is since the eighties that such an awareness has developed in the SAARC region. From then on, a new paradigm of growth with effective cooperation has evolved which has been adopted as development strategy in different parts of the world. This is the basic reason why arrangements like NAFTA & AFTA have evolved in other regions of the globe. As the rest of the world moves ahead on the basis of regional cooperation, the SAARC countries cannot afford to stay behind. They, too, have to accept the principle of regional cooperation and form a successful regional free trade area. A strong political will and a clearly chartered programme are imperatives needed to make such a mission a success. The announcement by the New Delhi SAARC Summit for converting the region into a Free Trade Area latest by the year 2005 is a manifest of the necessary political will. What is needed now is a clearly chartered programme on the lines suggested above.

SAPTA is an important step in the direction of the region towards forging a South Asian Economic Community. In order that SAPTA becomes an effective instrument of trade expansion, many supporting steps are required as discussed above. It is important that under regional preferential arrangements, reduction in the trade barriers is steeper than the one provided under the WTO agreement. The SAARC countries should aim at regional trade liberalisation at a faster pace than what they have expected to undertake multilaterally under the Uruguay Round. However, while implementing SAPTA care should be taken that the overall reduction of tariffs does not have a negative impact on the incipient stages of industrialization in South Asian countries. In order to ensure that, it is advisable for each country to independently work out its policy for global trade and a common policy for intra-regional trade. For SAPTA to bloom to its fullest extent, the supply capabilities of the regional economies have to be increased. To achieve that, the investment flows into the region have to be augmented. Moreover, SAPTA will have to evolve into SAFTA at a fast pace. These changes can be brought about through frequent discussions among the member states of SAARC.

Bold and concerted policy initiatives are required to be formulated for a move towards SAFTA by 2000 A.D. if possible but no later than the year 2005. The sooner SAARC can become an economic community, the better it will be able to rub shoulders with its kins elsewhere on the globe as representative of an ancient civilization and a dynamic one-fourth of mankind.

In this connection the next round of trade negotiations under SAFTA would be of critical importance. In a very brief period of less than 5 years, barriers on the way to SAFTA have to be phased out. More than 60 per cent of India's total bilateral exports to SAARC countries in the year 1994–95 and more than 90 per cent of India's total bilateral imports from SAARC countries in the same year comprised top 50 products of trade as documented in Tables 18A to 21G. It is strongly recommended that they are fully liberalised the first of all to the point of zero duty by all concerned States at the rate of 25 per cent tariff reduction per annum in the next four years. The remaining barriers can go in the fifth year. Alternatively, a sectoral approach can be adopted with 25 per cent duties phased out each year in each of the twenty one categories of exports and imports listed in Tables 22 and 23 for the year 1994–95 based on the harmonised system.

Once the south Asian Free Trade Area is established, the most important step towards forging a South Asian Economic Community would have been taken.

The Times of India, New Delhi
Monday, December 23, 1996

South Asian EU

The decision of South Asian Foreign Ministers at their Delhi meeting in December, 1996 to try and bring forward the deadline for the inception of a South Asian Free Trade Area (SAFTA) to the year 2000 must be welcomed, even if one could be a little sceptical about their ability to actually deliver. The reduction of tariff lines and the exciting talk of growth 'corridors' and 'triangles' as engines of sub-regional integration are promising signs but one hurdle that has to be crossed before substantial progress can be made is the abnormality which bedevils trade between India and Pakistan. Since its inception, the SAARC concept has floundered because of the unwillingness of the region to come to terms with the imperative of regional economic cooperation. Islamabad refuses to grant most favoured nation (MFN) status to India despite its legal obligations as a signatory to the World Trade Organisation, Pakistan currently allows the import from India of only 570 items, compared to the 5,000 products listed by the WTO. This has not stopped enterprising, business persons in both countries from engaging in 'informal' trade along the border as well as through the Gulf states and Singapore. According to some estimates, this 'illegal' traffic is of the magnitude of between US$ 1 billion and US$ 2 billion per year.

Table 18(A)

Value Share of India's Top fifty Products in the total bilateral exports to SAARC countries: 1994–95

(Million Rs.)

Destination	Exp. Value top fifty	Total exports	Share of top fifty (%)
Bangladesh	13316	20241	66.00
Bhutan	348a	348	100.00
Maldives	321	483	67.00
Napal	2592	3770	69.00
Pakistan	1587	1797	88.00
Sri Lanka	5815	11510	51.00
Total	23982	38149	62.80

Table 18–B

Quantities of top fifty products exported by India to Bangladesh sorted by value during 1994-95, their average annual growth rates 1991–95 and trade restrictions on them

HS Code	Description (in brief)	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95 (Rs.)	GR (%)	Tariff Rates (%)	Remarks (VAT/SD/ NTB)
52052101	Mercerized Grey	KG	141691	77025	1641030	12338216	10960789	1221058892	1956	75	15/0/F
50029209	Others	KG	10522000	208174145	7054968	7029163	7398337	1195100882	84	60	15/0/M
52081159	Others Powerloom	SQM	16912576	31749630	23452902	17450704	39746548	1093003351	238	45	15/0/M
52052109	Mercerized Unspecified	KG	58509	249656	1311964	3407043	7733742	914122196	239	7.5	15/0/F
252329	Gray Portland Cement	TON	64167	43805	194635	422069	434668	745021977	60	15	15/0/F
87060009	Other Chassis of Heading 8702T	NO	276	348	315	730	3065	696031249	825	999.99	15/0/F
31031000	Superphosphates	TON	0	0	0	20371	218811	606868996	•	0	0/0/F
52051109	Mercerized Unspecified	KG	206594	3379257	4830411	6163161	4538337	518506018	1165	7.5	15/0/F
10063009	Rice Excpig Parboiled Exclba	TON	0	3149	0	0	73465	514023900	•	7.5	0/0/F
52092159	Unspecified Description Powerlo	SQM	10045464	10852410	14068521	10414615	13831814	386014136	83	•	7.5
10063001	Rice Parboiled	TON	0	0	0	0	52069	372043215	•	7.5	0/0/F
52051101	Mercerized Grey	KG	2334741	933460	2822466	1271429	3410000	361415262	9.9	7.5	15/0/F
27011909	Others Coal	TON	3858	32723	177278	239926	234145	306918572	1791	3.75.7.50	15/0/F
27011901	Coking Coal	TON	4793	15382	41035	87325	222468	291810425	161	3.75.7.50	15/0/F
52052209	Mercerized Unspecified	KG	0	50046	443996	150072	2179291	237209287	•	7.5	15/0/F
87112091	Autorickshaw	NO	3471	356	764	4222	9126	226598433	273	15.00-45.00	15/0/F

HS Code	Description (in brief)	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95 (Rs.)	GR (%)	Tariff Rates (%)	Remarks (VAT/SD/ NTB)
40112000	New Pnmic Tyres Used on Buses	NO	92708	102009	128808.	125572	103221	212106542	2.7	30.00-45.00	Most item 45% 15/0/F
52079000	Other Cotton Yarn Put Up For R	KG	1723615	5089873	8362719	2321677	1530172	184252506	-29	7.5	15/0/F
72091400	Cold-Rlld Prdcts in Coils, of	TON	0	0	4004	3716	10825	180033461	•	15.00-45.00	Most item 45% 15/0/F
57060001	Chassis with Engns Mountd ERPS	NO	79	75	78	447	878	172369676	82.6	999.99	15/0/F
48026009	Printing Writing Paper NES	KG	135395	549563	514984	382465	6078438	152105806	158.8	45	15/0/F
87112003	Motor-Cycles	NO	192	120	488	1117	6006	147286003	1365	15.00–45.00	15/0/F
27040009	Other Cokes of Coal	TON	0	0	50	2000	282100	142504875	•	15	15/0/F
27011902	Steam Coal	TON	45949	27051	74476	87601	111673	141420322	249	3.75-7.50	15/0/F
55062000	Staple Fibrs of Polyesters Car	KG	156628	127320	1827930	492208	2153944	128614173	926	7.5	15/0/F
52051200	Mercerized Unspecified	KG	0	143021	226349	258927	1241895	127816021	•	7.5	15/0/F
52052103	Mercerized Dyed	KG	37467	14793	12712	154996	986623	117107802	126.5	7.5	15/0/F
52054509	Mercerized Unspecified	KG	0	0	75075	634475	1037157	116995730	•	7.5	15/0/F
55042100	Lod Dielectrc Trnsfrmrs HVNG A	NO	117	0	502	4120	6557	115468032	173.6	0.00-30.00	0-15/0/F
49011001	Printed Book	KG	545407	569511	601297	843645	1222399	115346133	22.4	0	0/0/F
10019002	Wheat (Not Seed) For Humancon	TON	0	0	103	0	22960	110894838	•	15	0.15/0/F
85299000	Other Part of HDG 8525 To 8528	KG	111486	178182	258848	496880	744522	108390257	60.8	7.50-30.00	Most item 30% 0-15/0

HS Code	Description (in brief)	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95 (Rs.)	GR (%)	Tariff Rates (%)	Remarks (VAT/SD/NTB)
52052102	Mercerized Bleached	KG	12480	31421	37376	160251	843199	96846873	186.7	7.5	15/o/F
70109001	Pottles	HND	275103	10305770	19140738	9696687	42661973	90149479	252.9	7.50-30.00	15/0/F
52094200	Denim (Yarns of Different Colou	SQM	0	0	220000	250036	2398803	87746425	•	45	15/0/F
72252004	Cold Rolled High SPD STL in Co	TON	0	0	4712	0	4282	83106186	•	30	15/0/F
87060002	Chassis FR Trctors Classued WT	NO	23	10	0	80	283	82063986	873	15	0/0/F
87149909	Others	KG	2180965	2422387	2767191	3597947	4565370	81151698	20.3	45.00-60.00	15/0/F
24012001	Elue Cured Virginia Tobaccos	KG	119440	77805	60000	347300	1022600	78593749	71.1	15	15/0/F
25231000	Cement Clinkers	TON	0	31175	37850	203028	69377	75192088	•	7.5	15/0/F
52051102	Mercerized Bleached	KG	103952	452640	18983	161512	579418	74260146	53.7	7.5	15/0/F
85282000	Black & White Other Monochrome	NO	3161	• 11766	18869	11960	32030	73743556	78.4	45	15/0/F
52051201	Mercerized Grey	KG	154171	1350	179741	161517	615693	73295198	41.4	7.5	15/0/F
32041601	Reactive Yellows	KG	127287	212492	170241	414520	515364	70807198	41.9	15	15/0/F
52071000	Coton Yarn Conting Coton -855-B	KG	1849725	273005	6005937061	3653709	785994	68966886	19.3	7.5	15/0/F
52114200	Denim of Yarns of Different Co	SQM	0	0	0	120000	2053325	66217887	•	45	15/0/F
52051103	Mercerized Dyed	KG	142355	34255	178876	603917	611007	66110061	43.9	7.5	15/0/F
54082249	Other Mill Made Rayon Fabric	SQM	2098769	2949366	1576277	763179	1490129	65611118	8.2	45	15/0/F
8051000	Oranges Fresh or Dried	KG	6413032	7644779	8089890	5834907	11202415	62058429	15	22.50-45.00	0-15/0/F

HS Code	Description (in brief)	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95 (Rs.)	GR (%)	Tariff Rates (%)	Remarks (VAT/SD/ NTB)
52051509	Mercerized Unspecified	KG	0	0	0	142909	513873	62029640	•	7.5	15/0/F
98010003	Pwer Project		0	0	0	0	0	61839568	•	999.99	15/0/F

Vat in SD-Supplementary Duty, NTB-Non-Tarfif Barriers (F-Free, B-Banned, R-Restricted, M-Part of the item FBR)
Source : Computerised Database DGCI&S, Calcutta   NOTE : 1994–95

Table 18–C
Quantities of top fifty products exported by India to Bhutan, sorted by value during 1994-95, and their average annual growth rates 1995/91

HS Code	Description	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95	GR (%)
99930009	Special Transactions N.E.S		0	0	0	0	0	248220931	
22030000	Belr Made from Malt	LT	722994	148350	0	5300000	1590000	33624125	21.8
44020001	Coconut Shell Charcoal	KG	0	8000	0	44510000	6939900	14025944	
44020009	Wood Charcoal Others	KG	117000	512360	0	0	2190469	6196921	108
210690009	Other Food Preparations	KG	0	0	0	165480	69369	5148964	
44081009	Others	KG	0	0	6	0	100000	4913480	
87089900	Other Parts & Accssrs. of of H	KG	0	0	0	1560000	51200	463200	
27011901	Coking Coal	TON	0	0	1500	0	3172	4427265	
19059000	Bread Pastry Cakes, Others	KG	0	0	24	0	265000	3576331	
19041009	Prepared Foods. Others	KG		0	0	0	210000	3053206	
27011909	Others Coal	TON	108	164	0	20340	1922	2671824	105.4
72291000	• Others Alloy High Speed	TON	0	0	0	0	169	2401840	
19041002	Prepared Foods Pawa, Mudi	KG	0	0	172	0	230000	2333757	
22072000	Ethyl Alcohol & Other Spirits	LT	0	0	332	0	180000	2332000	
79109001	Bottles	HND	0	0	0	0	724932	2087880	

HS Code	Description	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95	GR (%)
19019009	AIJ. others Prpn of Flr Meal,STRC	KG	0	0	0	0	184000	1388076	
87033101	Motor Cars. New, Assembled	NO	0	0	75	0	8	1363712	
31059009	Other Fertilisers N.E.S	TON	0	0	0	0	83	1041737	
25210000	Limestone Flux Limestone & Oth.	TON	90	450	0	26970	5468	997234	179.2
15159019	Other Fixed Veg. Fats Others	KG	10000	0	11	0	16000	827000	12.5
17019901	Cane Sugar Candy	TON	0	0	0	0	53	599974	
219005	Tomato Chutneys & Paste	KG	0	0	0	0	14545	503055	
20098009	Other Fruit Juice	KG	0	0	698	0	61728	118577	
27111100	Liqufied Natural Gass		0	0	163	0	0	429426	
3053909	Other Drid N.E.S. NT Smkd	KG	0	0	0	0	3000	156831	
8015002	Mangoes Fresh	KG	0	0	0	0	12000	150783	
4021003	Milk Food for Babies	KG	0	7989	0	0	2000	140155	
3053000	Fish Filts Dried Sltd/In Brin	KG	0	0	0	0	2472	135441	
20091900	Ornge Juice Not Frozen	KG	0	0	0	0	29921	129923	
7139009	Other	TON	0	0	500	0	10	97550	
7020000	Tomatoes Fresh or Chilled	KG	0	0	20	0	111000	86000	
8051000	Oranges Fresh or Dried	KG	0	0	0	0	10000	82700	
19053003	Sweet Biscuits	KG	1000	0	0	0	500	30000	-15.9
3061301	Shrimo(scampi) Macrobachumfr	KG	0	0	0	0	259	22000	
36050001	Matches Safety	NO	0	0	0	0	20000	9800	
70109004	Vials for injectibles	HND	0	0	0	0	8480	9642	
25232901	Gray Portland Cement	TON	0	0	0	0	61	8000	
26180000	Grnulatd Slag (Slag sand) from	TON	0	0	0	570	4	7500	
25015109	Other Types of A.C. Motor of OU	NO	0	0	0	0	1	5605	

Note : Indo-Bhutanese Trade is free from any Trade Restrictions

Source : Computerised Database, DGCI & Calcutta

Table 18–D

Quantities of top fifty products exported by India to Maldives, sorted by value during 1994-95, and their average annual growth rates 1995/91

HS Code	Description (In Brief)	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95	GR (%)
25232901	Gray Portland Cement	TON	3976	3150	5859	15750	24925	37469322	58.2
35161100	Grantte Crude or Roughly Trimm	TON	2	0	0	0	4974	26598873	606.2
11010000	What or Meslin Floor	TON	0	0	0	2637	3803	26001499	•
8029003	Nuts Areca		0	0	0	112530	315950	20475983	•
25232100	White Cement W/N Artificially	TON	2635	600	1500	660	8150	13037082	32.6
7031001	Onions Fresh or Chilled	KG	931550	1004707	823313	778777	1615007	11384863	14.7
60029209	Others	KG	28809	74075	33411	22714	66175	11350768	23.1
10063001	Rice Parboiled	TON	0	0	0	407	1160	8809253	•
100643009	Rice Excpig Parboiled (Excl BA)	TON	0	0	0	443	1053	7979544	•
30039089	Others		0	0	0	0	0	7875049	•
80229001	Betel Nuts Whole		0	0	10000	81010	107807	6849560	•
49011001	Printed Books	KG	5929	12787	11659	89208	86126	6326025	95.2
60019100	Other Pile Fabrics of Cotton	KG	28188	5318	0	5819	35126	5938105	5.7
52081259	Other powerloom	sqm	0	4200	0	0	251800	5776593	•
84145102	Ceiling fans	no	1542	3100	6500	1650	9405	5717369	57.2
73051901	Galvanised	ton	0	0	0	108	309	5696427	•
72101109	Other plates sheets and strips	ton	0	0	0	0	300	5444854	•
52091159	Other powerloom	sqm	143234	134670	97369	322776	214861	5215210	10.7
61091002	T-shirts etc. not hand crochete	no	51680	37784	20462	17357	39663	4866497	6.4
83024103	Builders hardware	kg	15484	21061	84033	74877	47679	4845608	32.5
25010001	Commonsalt	ton	1126	1047	3250	0	8260	4341837	64.6
52092111	Seersucker handloom	sqm	0	0	0	0	94000	4077672	•
52083139	Unspecified description millma	sqm	0	0	4000	15214	198030	4065717	•
4070002	Birds eggs...of species gallus	no	0	0	0	4000	39580	3978807	•

HS Code	Description (In Brief)	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95	GR (%)
61044201	Cotton dresses hand crocheted	no	0	0	0	0	23006	3906163	•
48202000	Exercise books	kg	0	0	0	0	81004	3760014	•
73090009	Reser tanks vats etc of irn	ton	0	0	3	0	43	3745898	•
60012100	Looped pile fabrics of cotton	kg	8098	0	0	0	22821	3612296	29.6
30049099	Medicaments....oxyphenphenyl	kg	0	0	0	0	0	3474015	•
2516200	Sandstone crude or roughly tri	ton	0	0	171	100	5039	3445415	•
61051002	Cotton T-shirts other than han	no	7149	43378	82644	91305	56271	3384731	67.5
61061000	Bcouse etc of cotton	on	400	500	92	4700	18068	3303967	159.2
7019000	Potatoes fresh or chilled other	kg	35450	2000	99150	124244	498633	3303641	93.7
25059000	Other Sands	TON	1552	3915	2243	0	7755	3196200	49.5
52082159	Others Power Loom	SQM	0	0	8373	0	91288	3062266	•
25171009	Other Ballast Shingle & Flnt W.	TON	4148	4550	2586	1350	7438	3037416	15.7
52081159	Other Power Loom	SQM	8133	12811	118093	127200	96753	3030361	85.7
52051109	Mercerized Unspecified	KG	0	0	0	12562	16720	2857208	•
52084220	Unspecified Description Millma	SQM	0	0	3508	0	85500	2818663	•
8013001	Cashew Carnels Broken	KG	0	0	0	0	15	2817427	•
52092105	Shirting Cloth Handloom	SQM	0	0	0	0	100000	2772138	•
4070001	Birds Eggs...Species Gallus	NO	0	18482	30625	6020	20340	2695544	•
61034200	Trousers, Shorts of Cotton	NO	0	3000	150	400	28489	2595677	•
9042001	Chilly	KG	93775	65805	67099	83247	96538	2553252	0.7
39172309	Others	KG	0	70	0	0	39993	2456254	•
52085102	Saree Handloom	SQM	0	0	0	0	10000	2417320	•
52083228	Shirthing(Incl Mazri etc.)Crdedy	SQM	0	0	0	0	77548	2377813	•
73211109	Other Stoves	NO	0	0	0	0	5600	2224777	•
8029002	Bettle Nut, Split Ground		0	0	5000	0	31600	2176627	•
20123000	Prepaired baking Powders	KG	0	0	0	0	20000	2091602	•

Source: Computerised Database, DGCI&S, Calcutta

Table 18–E

Quantities of top fifty products exported by India to Nepal, sorted by value during 1994-95, and their average annual growth rates 1995/91 and tariff rates applicable in Nepal

HS Code	Description (in brief)	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95 (Rs.)	GR (%)	Tariff Rates (in Nepal)
87060009	Other Chassis of Heading 8702 T	NO	90	0	250380	9000	1012	32066529	83.1	Rates as Applicable
84792009	Oil Seed Crushing/Grinding M/c	KG	630905	0	0	16420	5472	209932959	–69.5	5
30039089	Others		0	0	1143341	0	0	123232271	0	05–Oct
30049001	Ayurvedic & Unani Medicine		0	109196	43659	0	0	119651394	0	0
87013009	Others	NO	42	0	0	3210	652	104711319	98.5	5
24011009	Other Tobacco Nt Stemmd/Stripp	KG	3309464	2	43275	22477650	2599136	100312349	–5.9	10
87112003	Motor Cycles	NO	830	0	99	32680	4331	97528963	51.1	40
99930009	Special Transactions N.E.S		0	12810	30	0	0	81298446	0	N.A
27011909	Other Coal	TON	339737	0	0	434040	56802	70330915	–36.1	5
72249004	Streel Billets	TON	0	0	0	75240	7070	69534647	0	10
55095100	Other Yarn of Polystar Stpl Fibr.	KG	3000	0	0	6419070	988595	67383652	326.1	20
9093002	Cumin other than black	KG	201991	1940	47773	201290	1540960	66366549	66.2	5
84799009	Parts of other M/c & Mchncla	KG	17976	0	687791	2894590	884556	60916022	164.9	5
19011001	Malted Milk (including Powder)	KG	967046	20	0	14268110	1058054	59953739	2.3	5
25232901	Gray Port land Cement	TON	20539	19989	0	389000	58924	59630635	30.1	900/TON
24012009	Other Tabacco Partly or wholly	KG	43452	0	0	2004480	1154058	51838107	127	10
30049089	Propretory Medicine Retail Sale	E	0	91207	8	0	0	49825490	0	5
87060002	Chassis FR Tractors Classified WT	NO	6	0	0	560	175	49733659	132.4	N.A
45026009	Printing/Writing Paper E.S	KG	9712	0	0	13055110	2151829	46566159	285.8	20
30049099	Medicaments Others Retail Sale	E		127	64	0	0	4417767	0	
27011001	Coking Coal	TON	265	0	0	354920	28712	44259309	222.6	5
84073201	Sprk-Ignin Engines for Motor C	NO	0	0	0	5800	3738	41549545	0	45
9024004	Tea Bags	KG	0	0	0	101140	131657	41164543	0	20

HS Code	Description (in brief)	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95 (Rs.)	GR (%)	Tariff Rates (in Nepal)
25231100	White Cement W/N Artificially	TON	66994	287943	69	379650	33300	40470513	–16	30
87000001	Motor car New Åssembled	NO	23	0	0	4750	210	39104458	73.8	30
30045019	Other Mediacaments Contang Vita		0	5000	394	0	0	38747809	0	5
3401103	Toilet Soaps other than dental	KG	150	0	0	2306470	732018	37559499	735.8	40
72101209	Other Plates, Sheets, Strips	TON	1	0	0	15080	1921	35476223	562	5
87642201	Lorries and Trucks New Assembled	NO	4	0	0	450	93	32512758	1196	20
76012001	Aluminium In (K) Ts alloyed	KG	0	0	0	0	592903	28201107	0	5
84031000	Central Estng Boilers	KG	0	0	0	0	90	23983694	0	5
27040009	Other Cokes of Coal	TON	4106	0	0	62810	20342	2373066	49.2	5
37029000	Other Moter Vehicles Pub-Trns	NO	12	0	0	110	139	23073068	84.5	20–40
87060001	Chassis with Engns mounted Frps	NO	93	0	0	1840	65	21339760	–8.6	Rates as Applicable
10112000	New Pnmtc Tyres Used on Buses	NO	8219	0	0	27220	8050	20909740	–0.5	40
1003901	Ayurvedic & Unani Medicines		0	538	292	0	0	20484314	0	0
37042203	Lorries & Trucks, Complete Unit	NO	0	0	0	170	44	203244411	0	20
87021000	Motor Vhcls. with Cmprsn-Igntni	NO	8	0	66	20	68	19353521	70.7	50
87089900	Other Parts Accssrs of Vhcls. of H	KG	12679	0	240	2836090	192489	17024225	23.5	20
27011902	Steam Coal	TON	14729	0	0	183640	12314	16923814	–4.4	5
87041000	Dumpers designed for of	NO	0	0	0	0	32	16759335	0	20
87033201	Motor Cars New Assembled	NO	17	0	0	650	77	16106043	45.9	110
37051000	Phot Plts and FLM or off Setr	M	0	0	0	0	500000	16097794	0	20
842959000	Other M/c shovls, excvtrs	NO	0	0	0	0	9	15532000	0	5
30059031	Cotton Wool Medicated		0	18554	0	0	0	15356161	0	51
84073301	Sprk Igntn Engines for Motor Car	NO	0	0	0	1000	65	15335617	0	20
28151102	Naoh, Solid, Other Than Flakes	KG	276362	0	0	12038860	1640352	14444549	561	5
40011001	Natri Rubr Latex Not Prevulcan	KG	0	0	0	0	396500	14215474	0	5

HS Code	Description (in brief)	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95 (Rs.)	GR (%)	Tariff Rates (in Nepal)
32100009	Others	KG	29452	0	0	1618220	278565	14205710	75.4	5
84073202	Sprk Ignem Engines for Motor C	KG	460	0	0	1220	1142	14072942	25.5	20

Note: Tariff rates obtained from customs Tariff 1994–95, Depatrment of Customs, Kathmandu

Source: Computerised Database, DGCL&S, Calcutta

Table 18–F

Quantities of top fifty products exported by India to Pakistan sorted by value during 1994-95, their average annual growth rates 1995/91 and trade restrictions on them in Pakistan

HS Code	Description	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95	GR (%)	CD	LF	IQ	ST	NTB
23040003	Meal of Soyabean Slvnt Extrcid	TON	3444	28454	53902	91458	70766	442942109	19.7	30	6	5	12.5	
25231000	Cement Cliners	TON	0	0	0	77719	116317	190576509	•	40	6	5	12.5	
14049001	Bidi Wrapper Leaves (Tendu)	KG	3386631	3444835	2178840	2857327	3052620	102598787	–2.6	70	6	5	12.5	PR
2601103	Iron Orefines 62% FE & Above	TON	345757	334716	188910	494146	172914	79087814	–15.9	30	6	5	12.5	
2601101	Iron Ore Lumps 60% FE	TON	72624	71512	0	64100	146000	74368150	19.1	30	6	5	121.5	
32030001	Cutch (Catechu) Extracts	KG	1140748	1274175	1412735	2096505	1743009	56048580	11.2	0	6	5	12.5	AHS
9083001	Cardamoms Large (Amomum)	KG	969854	724239	974429	1353692	820441	50237416	4.1	50	6	5	12.5	PR
9024002	Tea Black Leaf in Bluk	KG	62501	158634	1191828	265522	715857	37941970	84	50	6	5	12.5	PR
9101001	Ginger Fresh	KG	853363	6152081	3795450	6336440	3717822	34501888	44.5	90	6	5	12.5	PR
25232901	Gray Portland Cement	TON	0	0	0	5157	18904	31148451	•					
7031001	Onions Fresh or Chilled	KG	400000	2423	510000	0	61616764	30983347	98.1					
49011001	Printed Book	KG	142177	192311	215638	300238	344094	29582593	24.7	0	6	5		
32041601	Reactive Yellows	KG	55696	67961	193625	239066	192133	26699953	36.3					AHS
12099109	Vegetable Seeds For Platg. N	KG	270641	308084	966114	1263622	1139112	25159025	43.2	10	6	5	0	
26020003	Mnganse Ore 44 But or Eql To	TON	0	0	0	0	20525	25030853	•	30	6	5	12.5	

HS Code	Description	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95	GR (%)	CD	LF	IQ	ST	NTB
14049005	Betel Leaves	KG	0	846938	151078	20591630	1953580	23511050	•	70	6	5	12.5	
32041608	Reactive Black	KG	46306	184466	322724	250835	182299	22659058	40.9	•	6	5	12.5	
32041603	Reactive Reds	KG	22484	64662	66605	94367	121704	20228585	52.5	•	6	5	12.5	
32041602	Reactive Oranges	KG	11127	31634	106860	151795	112602	20078342	78.4	•	6	5	12.5	
32049000	Other Synthetic Organic col.	KG	40754	69816	105505	96200	126750	18098749	32.8	90	6	5	12.5	AHS
84522900	Other Sewing Machines	NO	373	3410	7220	4777	11907	17928690	137.7	10	6	5	12.5	
79011100	Zincnt Alloyd Coning By WT-9	KG	0	0	391706	338000	605000	17506891	•	20	6	5	12.5	
32041605	Reactive Blues	KG	42684	112145	231584	230388	114750	17312803	28	•	6	5	12.5	
12119039	Others	KF	2462122	2674739	4593836	2895241	1492772	13967927	11.8	50	6	5	12.5	
85451901	Electrodes of Graphite	NO	1028721	916111	661513	329480	84615	12720609	46.4	50	6	5	12.5	
85401200	Cathode Ray TV Pic. Tube.1	NO	4910	9600	19858	18088	34200	12635945	62.5	0	0	0	0	
12119015	Psylium Husk (Isobgul Husk)	LG	148492	131381	38336	268181	276330	11043005	16.8	50	6	5	12.5	
8311000	Coat Elctrd of BS Mil Fr Elctr	KG	0	15000	50869	0	187000	10983587	•	90	6	5	12.5	
9024003	Tea Black Dust in Bulk	KG	0	28800	118408	23040	201627	10504328	•	50	6	5	12.5	
8109002	Tamarind Fresh	KG	137110	603366	3775676	3261495	1576991	10289088	84.2	90	6	5	12.5	
76061101	Electrol Yhc Plates or Sheets	KG	34150	4000	16000	31000	133000	9074196	40.5					
61101002	Sweatrs & Cardigns of Wool/Fin	NO	0	0	0	0	30260	8430701						
9022002	Tea Gren in Bulk	KG	184475	196311	201301	272895	225590	8153928	5.2	50	6	5	12.5	
79012009	Zinc Alloysnes	KG	0	0	38595	0	254200	7446885	•					
54079402	Oth. Synth. Wovn Fabrics Not	SQM	0	0	0	0	120000	6976194	•					
96031000	Brooms & Brushes Constng of Tw	NO	322227	238252	293025	532890	852081	6029626	27.5					
54071039	Woven Fabrics High Ten Achy Yrn	KG				3000	147000	5929706	•					
33029001	Mixtrs of Aromtic Chemicls &E	KG	0	0	2000	2100	9200	5848115	•					
69021002	Chrome Magneshe Bricks & SH	TON	0	0	29	50	736	5724628	•					

HS Code	Description	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95	GR (%)	CD	LF	IQ	ST	NTB
53081001	Coir Yarn Baled	KG	0	15351	102000	76500	266644	5235898	•					
12119026	Ayurvedic & Unani Herbs NES	KG	11773	108625	352768	238040	504988	4728999	155.9	10	6	5	12.5	
32041729	Others Pigment Red (Organic)	KG	2525	30000	32050	29650	25875	4420521	78.5		6	5	12.5	
29173500	Phthalic Anhydride	KG	0	107500	340000	312000	186500	4367887	•					
32041101	Disperse Yelow 13(Duranoi, Brh)	KG	0	18696	14522	17075	26075	4342513	•					
13011003	Seedlac	KG	41400	46795	223500	83533	65507	4290035	12					
32041109	Other Disperse Yellow	KG	0	4076	10925	11400	23430	4260872	•					
84521002	Sewng Mchns Wthout Stand labi	NO	261	1300	1675	395	2805	4175135	81.1					
32019002	Myrobalan Hruh Extract	KG	217501	101500	30000	25650	177500	4076768	.5					
73239300	Other Houshold Articles or Stai	KG	0	0	0	0	69486	3737569	•					
9042001	Chilly	KG	0	0	0	7050	236604	3620535	•					

Note: Abbreviations used ntb non-Tariff barriers, PR Packaging Requirement AHS Authorisation of Health And Safety CD Customs Duty LF Licence fee to Iqra surcharge, ST sales Tax Trade control barriers obtained from unctad trains software as based on Import policy order of Pakistan, 1993

Information on all products could not be obtained

Source: Computerised database, DGCL&S, Calcutta

Table 18(G)

Quantities of top fifty products exported by India to Sri Lanka, sorted by value during 1994-95, and their average annual growth rates 1995/91 and tariff rates applicable in Sri Lanka

HS Code	Description	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95 (Rs.)	GR (%)	Tariff Rates (in Sri Lanka)*
8700000	Other Chassis of Heading 8702 T	NO	665	395	836	23020	3038	1260554857	46.2	20 pref:7.5%
25241000	Cement Clinkers	TON	250	10000	57520	2655470	345538	390917982	509.7	5
7031001	Onions Fresh or Chilled	KG	27935300	45497626	26747392	376843000	54871933	268104888	18.4	35
52091159	Others Powerloom	SQM	2176765	5318486	5918540	34261200	6435871	236802226	31.1	Oct. 35
25232901	Gray Portland Cement	TON	5727	22	6090	482320	138856	191246705	121.9	10
72281009	Others	TON	2013	5545	58567	117300	19691	186283231	76.9	10
87112001	Auto Rickshaw	NO	2703	964	2333	27730	5525	181941397	19.6	10

HS Code	Description	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95 (Rs.)	GR (%)	Tariff Rates (in Sri Lanka)*
23040003	Meal of Soyabean Sl VNT Extrctd	TON	9603	18620	28167	447850	25333	171148428	27.9	10
17019902	Cane Sugar Refind	TON	0	0	3396	48540	12693	167051844	•	35
72249004	Steel Billets	TON	0	5249	0	406540	20185	153702626	•	10
87033305	Spcisd Transprt Vhcls (Amblncsh)	NO	23	0	8	1820	313	118035661	92.1	100 PREF 90%
9042001	Chilly	KG	557000	7453850	1732500	57425170	4715695	110759779	70.6	35
7134000	Lentils (Mosur) Dried & Shld	TON	0	693	100	40000	7822	108384818	•	35
52051109	Mercerized Unspecified	KG	0	116290	203292	6651600	1257832	107898582	•	10
87089900	Other Prts & Accssrs of Vcls of H	KG	948337	1497484	1233914	14061060	1358924	10914440007	9.4	35
14049001	Bidi Wrapper Leaves (Tendu)	KG	1395145	1148415	562813	10167550	1573438	98777676	3.1	35 or Rs. 170 Kg.
52052101	Mercerized Grey	KG	91349	151622	302225	2080100	969150	93512637	80.5	10
27111100	Liquefied Natur/Lgas		0	0	0	0	0	92555841	•	10
87041000	Dumpers Desn. FR Off-Highwa	NO	2	16	3	300	160	90168606	199.1	10
10039089	Others		0	0	0	0	0	84672378	•	0
52093139	Unspecified Descriptions, Millm	SQM	32827	702965	1617756	7664590	2262662	84447754	188.1	35
87149909	Others	KG	794116	1042149	666145	13125010	1764034	77439411	22.1	20
86061000	Tank Wagons & The Likr	NO	0	0	0	0	40	73269362	•	10
39042202	PVC Resins By Suspension Metho	KG	0	0	48000	2560000	2953400	72579476	•	10
520051101	Mercerized Grey	KG	100283	435134	728558	7372740	842799	70814283	70.3	10
30049099	Medicaments, Others Retail Sale		0	0	0	0	0	70235846	•	0
87029000	Other Motor Vehicls Pub Trns	NO	603	313	145	260	216	65018109	22.6	100
52081159	Others Powerloom	SQM	579076	1842376	1447191	42030110	1891503	63665213	34.4	35
2304002	Soya Oil Cake Slvnt Extrchxde	TON	326	328	3765	120740	9467	61821338	132.1	10
52114200	Denim of Yarns of Different Co	SQM	0	0	300400	9280770	1356634	58308558	•	10
4011200	New Pnmtc Tyres Used on Buses	NO	6850	12417	16079	462110	30741	58002045	45.5	35

HS Code	Description	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95 (Rs.)	GR (%)	Tariff Rates (in Sri Lanka)*
48026002	Poster Paper	KG	2023474	1208079	1635563	39891700	2597659	57847944	6.4	35 PREF : 35*
60029209	Others	KG	63045	127857	101970	1484360	292365	52224724	46.7	35
73061001	Galvanised Pipes	TON	89	125	101	17410	3104	49484849	143	10
44121102	Tea Chrst Pnaels		0	1797970	610475	47420700	4640095	48878692	•	10
87021000	Motor Vhcls with Cmprsn-Igntni	NO	1021	1090	725	400	91	48594992	45.4	100
72071109	Others	TON	0	0	0	50840	4654	48059338	•	10
52083139	Unspecified Description Millma	SQM	31097	159682	371020	28684800	1140385	46116086	146.1	Oct.35
87059009	Others	NO	23	42	0	20	82	44953756	37.4	10
30049089	Proprietory Medicin Nes Ret All.		0	0	0	0	0	44923834		0
19011001	Maltrd Milk (Including Powder)	KG	130528	333606	246524	7596520	980522	44076616	65.6	10
3055909	Others Dried NES NT SMKD	KG	130275	275116	340597	6081520	2376908	43674718	106.7	10 PREF : 5%
87149209	Others	KG	194265	265961	387730	8971200	805024	42236855	42.7	10
20109001	Bottles	HND	284770	14949822	32866049	360107830	24020605	41604100	203.1	35
84200009	Prts of Othr Motor & Mohnct, A	KG	56	30575	37039	705290	333683	40942516	798.6	10
2101000	Potatoes Cooked or Uncookeder	KG	0	0	11000	0	5111925	40552778	•	35
72171202	Thinner Ihn Bwg upto 36 SWG	TON	0	37	925	29130	2673	40114750	•	10
87032101	Motor Car New Assembled	NO	40	144	89	890	324	383731172	68.7	10
8712003	Motor Cycles	NO	459	299	873	15770	1657	37653112	37.8	20
82094129	Unspecified Descriptions Millm	SQM	38505	48900	80496	216220	933751	36916217	121.9	10-Mar.

Note: Tariff rates from Gazette extra ordinary of democratic socialist republic of Sri Lanka Dt. 25.05.95

Source: Computerised Database, DGCI &S, Calcutta

Table 19(A)
India's Exports to South Asia and the World

(Million US$)

Year	BD	BHU	MLD	NPL	PAK	SL	S.A.	W.D.	SA % WD
1990	297	—	5	40	43	102	487	17813	2.7339
1991	325	1	5	77	40	175	623	17872	3.4858
1992	353	2	8	73	52	231	719	18498	3.8869
1993	430	5	6	75	58	247	821	20258	4.0527
1994	509	7	18	91	64	313	1002	24150	4.1490

IMF : Direction of Trade Statistics 1995

Table 19(B)
India's Exports to South Asian countries

(value in Indian Rupees)

Countries	Value
Bangladesh	20241313299
Bhutan	348317189
Maldives	482818081
Nepal	3770260248
Pakistan	1797073392
Sri Lanka	11510835324
SAARC	38150617533

Source : Computerised database of DGCI&S, Calcutta

Table 20(A)
India's Imports from South Asia and the World

(Million US$)

Year	BD	BHU	MLD	NPL	PAK	SL	S.A.	W.D.	SA % WD
1990	15	0	2	15	45	22	99	23990	0.4127
1991	6			19	58	12	95	19509	0.4870
1992	9	1		22	145	15	192	24206	0.7932
1993	13	3		19	46	17	98	22493	0.4357
1994	29	3		17	51	30	130	25529	0.5092

IMF : Direction of Trade Statistics Year Book, 1995

Table 20(B)
India's Imports from South Asian countries 1994–95

(value in Indian Rupees)

Countries	Value
Bangladesh	1198164031
Bhutan	574012906
Maldives	7275153
Nepal	1148943786
Pakistan	1656139215
Sri Lanka	881204765
SAARC	5465739856

Source: Computerised database of DGCI&S, Calcutta

Table 21(A)
Value Share of India's Top fifty Products in the total bilateral imports from SAARC countries: 1994–95

(Million In. Rs.)

Destination	Import Value top fifty	Total imports	Import coverage
Bangladesh	1198	1198	100.00
Bhutan*	574	574	100.00
Maldives†	7	7	100.00
Napal	1052	1149	92.00
Pakistan	1647	1656	99.00
Sri Lanka	842	881	96.00
Total	5320	5465	97.30

Note: * only 26 products † only 8 products

Table 21(B)

Quantities of products imported from Bangladesh, sorted by value during 1994-95, their average annual growth rates 1995/91 and trade restrictions on them

IT Code	Description	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95	GR (%)	TR	NTB	Remarks
53031001	Jute raw (excl Bimlipatam & Mes)	TON	32103	5863	9177	25231	62009	568281230	17.890	32.0	F	Imp. thro MMTC
31021000	Urea wheather or not in aqueous	TON	0	0	10423	52416	65314	430044869		42.0	C	
28141000	Anhydrous ammonia	KG	0	0	0	0	10175000	69036023		70.4	F	
41043909	Others	KG	777	751581	329581	1020980	3835877	30631103	738.230	22.0	F	
41042909	Other		0	450545	530000	3155226	1668483	13953743		22.0	F	
3026901	Hilsa Excld Livers & Roes Fresh	KG	0	0	0	74387	249754	12924445		12.0	F	
41061909	Other Finished Tannd Lthr from G	KG	900	68000	59000	2481292	1618253	11725004	551.180	22.0	F	
41042905	Bovine Leather Otherwise		0	95000	0	450518	1493940	11717914		22.0	F	
3061301	Shrimp (Scampi) Macrobactium FR	KG	0	0	0	0	20000	6978981		12.0	R	CG
16052000	Shrimps & Prawns Prod or prsvd	KG	0	0	0	0	18000	6814020		52.0	R	CG
52084903	Jamdani Sarees	NOS	0	0	0	0	97382	5151777		52.0	M	Free, some and restriction
15209001	Glycerine refined & chemically	KG	117250	137500	167030	231000	60716	3208025	−15.170	70.4	F	
41079002	Prchmnt Drsd Lthr of other Fnsh	KG	0	4000	10000	60000	479188	3083692		22.0	F	
41062009	Other Prod Lthr o Goat or Kid	KG	0	0	0	0	270000	2299385		22.0	F	
99930002	Returned goods		0	50	0	0	0	2154860		NS		
41061901	Chrome and semi-chrome Goat SU	KG	0	12000	0	5200	350000	1842595		22.0	F	
26201900	Other Ash & Residue Contng Mai	KG	0	160000	137100	184100	145000	1431390		45.2	R	Sub to LIC (Hazardous waste)
72044909	Steel others...		0	0	0	0	313	1421051		51.8	F	
15209002	Glycerine Pharmaceutical grade	KG	7750	19000	0	0	19500	1063530	25.946	70.4	F	
49011001	Printed Books	KG	3017	705	764	11585	3840	950105	6.216	22.0	F	

IT Code	Description	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Valuc '95	GR (%)	TR	NTB	Remarks
28030002	Cardon Black for Rubber Indust.	KG	0	0	0	0	60000	908167		70.4	F	
5061001	Bons Including Hrn cors crushed T	KG	0	0	0	163596	165750	900683		12.0		
41079001	Lether of other animals (except S)	KG	0	0	0	179500	116100	899163		22.0	F	
41062001	Glazed Kid	KG	0	0	0	23000	90240	797987		22.0	F	
15201000	Glycerol (Glycerine) crude Glyce	KG	160000	160000	0	110000	20125	794611	−40.440	70.4	F	
25151100	Marble & Travertine Grude/Roug	TON	0	0	0	0	507	775431		42.0	R	Imp. permitted for Exp.
25174100	Granules chipping & Power of MA	TON	0	0	0	0	448	769702		42.0	R	Imp. permitted for Exp.
72039000	Other Fers Products & Iron Pll	TON	0	0	0	0	150	711973		51.8	F	
99930009	Special Transactions N.E.S.		67	140	0	0	0	652322	−100.000	NS		
52052109	Mercerized unspecified	KG	0	0	0	0	6250	592098		52.0	F	
60029209	Others	KG	0	0	0	4000	4200	508202		52.0	R	CG
87032303	Second hand or used motorcars	NO	0	0	1	2	4	490407		52.0	R	Imp. Lic.
41042904	Bovine leather EL tanned		0	61000	39500	204390	31350	40679		22.0	F	
25152009	Others (ecaussine etc.)	TON	0	0	0	0	235	393970		42.0	R	Imp. permitted for Exp.
52092159	Unspecified description powerlo	SQM	0	0	0	0	5000	386007		52.0	R	CG
59032009	Other fabrics imprgntd Lamntnd	KG	0	0	0	0	11000	368524		90.0	F	
87032103	Second hand/used Motorcars (in)	NO	0	0	0	0	1	348565		52.0	R	Imp. Lic.
85012000	Unvrsl AC/DC Motor of an Outp	NO	0	0	0	0	60	325500		67.2	F	
25262000	Natrl Steatite Crushed powerre	KG	0	0	0	0	10000	286335		27.0	F	
84229009	Parts of other M/c		0	0	0	0	75	259773		74.8	F	
49060000	Plans & Drawings for archit. Engg.	KG	0	0	0	0	0	248233		12.0	F	
41072900	Other reptile leather	KG	0	0	0	0	20000	220952		22.0	F	

IT Code	Description	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95	GR (%)	TR	NTB	Remarks
49029002	Journals & Periodicals	KG	0	0	1995	0	2349	216098		0.0	F	
67029009	Others of all materials		0	0	0	591	2525	214394		67.2	R	CG
41042109	Other Bovine anml hieds hark TN	KG	0	0	0	0	45000	20956		22.0	F	
52094902	All other Fabrics		0	0	0	0	2040	201526		52.0	M	some are restricted
85013101	D C Motors	NO	0	0	0	0	25	124874		39.7	F	
49019900	Other Printed Books etc. of HD	KG	1620	603	1032	4627	741	124242	17.760	22.0	R	Imp. Lic.
64062000	Outer soles & Heels of rubber/p	PR	0	0	0	0	2900	107466		74.8	F	
28333009	Other Alums	KG	0	0	0	0	24000	87461		70.4	F	

Source: Computerised database DGCL&S, Calcutta Tariff rates obtained from easy reference customers traiff, 1996–97

Table 21(C)

Quantities of products imported from BHutan, sorted by value during 1994-95, their average annual growth rates 1995/91 and trade restrictions on them

IT Code	Description	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95	GR (%)	TR	NTB	Remarks
28491000	Carbide of Calcium W/N Chmcly	KG	10000	46968	12066345	23846200	14250000	243657883	514.40	70.4	F	
44039929	Other	CM	0	10	257	31060	14825	123803362		12.0	F	
44101000	Partcle Board of Smlr Bord of W	KG	109360	77300	115893	14460000	2898760	89247065	126.90	45.2	F	
44129909	Others	KG	0	0	20110	0	410000	26275092		58.4	F	
44122100	Other plywood with at least one	KG	0	0	0	0	1014000	20282636		58.4	F	
72022900	Other Perro-silicon	TON	0	0	0	0	555	14047700		51.8	F	
44121209	Others	KG	0	0	10000	1625460	579240	13737722		58.5	F	
25201001	Naturla Gypsum and anhydrite	TON	4162	2592	5030	83960	12942	8003242	32.79	27.0	F	
20093009	Other Citrus Fruits Juice	KG	0	0	0	0	25457	6866759		52.0	R	CG
72022100	Ferro-silicon contng–55% of SI	TON	0	0	0	0	219	5286500		51.8	F	
27011909	Other coal	TON	1791	2534	1561	130620	8980	4740318	49.64	22.0	F	
21069001	Soft drink concentrates	KG	0	0	0	0	74898	3616192		315.8	R	CG

IT Code	Description	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95	GR (%)	TR	NTB	Remarks
99930002	Retunred Goods		0	0	0	0	0	2811537		NS	—	Not specified
21069009	Other food preparations	KG	0	0	0	3110000	113280	2656317		197.0	M	Diabetic food are free
9083001	Cardamoms large (Amomum)	KG	0	0	5000	0	39481	2480100		32/24.5	R	42.5%; CG
22082002	Liqueurs	LT	0	0	0	0	16000	1904558		277.0	R	CG
98010009	Other Projects		0	0	0	0	0	1782935		52.0	—	No specified policy
25183000	Agglomerated Dlmite (incl TARR)	KG	3095	0	31600	0	780000	912270	298.44	27.0	F	
25221000	Quicklime	KG	0	0	30772	230000	733000	718695		42.0	R	Imp. Lic.
25210000	Limestone Flux Limestone & Other	TON	21	0	0	0	628	401281	133.85	42.0	F	
20098009	Other fruit Juices	KG	0	0	0	0	2000	218338		52.0	R	CG
25239000	Other Hydraulic Cements	TON	0	0	0	0	135	212965		84.6	R	Imp. Lic.
25182000	Calcined Dolomite	KG	8500	0	44000	0	105970	165836	87.91	27.0	F	
76020000	Aluminium Waste & Scraps	KG	0	0	0	0	2267	103025		27.0	F	
25061002	Quartz, Powder	KG	0	0	0	0	750	73618		28.8	F	
99930009	Special Transactions N.E.S.		0	7	0	0	0	6960		N.S.	—	Not specified

Source: Computerised database, DGCI&S, Calcuta, Tariff rates obtained from easy reference customer tariff, 1996–97

Table 21(D)

Quantities of products imported from Maldives, sorted by value during 1994-95, their average annual growth rates 1995/91 and trade restrictions on them

IT Code	Description	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95	GR (%)	TR	NTB	Remarks
72042100	Waste and Scrap of stainless	TON	0	0	0	0	142	4091000		51.8	M	Some are restricted
72044909	Steel others...		0	0	527	416	545	2352649		51.8	F	

IT Code	Description	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95	GR (%)	TR	NTB	Remarks
74040001	Waste & Scrap of copper	KG	0	0	10245	7780	8800	401587		51.8	M	Some are restricted
8021200	Shelled almonds fresh or dried	KG	0	0	0	0	3000	221863		Rs 80/kg +2%	F	Pref. Rs. 75/Kg
5080003	Cowries	KG	100940	25700	26160	17200	13209	93047	−39.850	12.0	F	
76020000	Aluminium waste & scraps	KG	0	0	0	2510	6288	86934		28.8	F	
99930002	Returned Goods		0	0	0	0	0	27573		N.S.	—	
99930009	Special transactions N.E.S.		0	0	0	0	0	500		N.S.	—	

Source: Computerised database, DGCI&S, Calcuta, Tariff rates obtained from easy reference customer tariff, 1996–97

Table 21(E)

Quantities of products imported from Nepal, sorted by value during 1994-95, their average annual growth rates 1995/91 and trade restrictions on them

IT Code	Description	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95	GR (%)	TR	NTB	Remarks
7124000	Lentils (Mosur) Dried & Shld	TON	3135	0	0	2351	11649	138826642	38.839	12.0	F	
56071001	Cordage, Cable, Rope and Twine	OKG	472665	5573213	2307526	2468507	9210606	94782730	110.100	52.0	F	
9083001	Cardamoms large (Amomum)	KG	1237273	1630153	1826288	2909953	2108953	74931470	14.262	32/24.5	R	Pref. 42.5% CG
33061001	Toothpowder	KG	0	0	0	814168	1066812	72955312		67.2	F	
15159012	High Oil	KG	2050715	1447862	4042242	4562525	3503919	57345416	15058	42/32	M	Pref. 40%
53031601	Jute Raw (Excl)	TON	0	3681	1405	9411	5919	48785786		12.0	F	
88000000	Rlti Rnfd Goods		0	15167	0	0	0	42670642		11.3	N.S.	
1240000	Linseed Wheller or not Broken	TON	2098	2446	4961	4847	4708	38981992	22.393	52/42	M	Oref. 40% Seed Quality free
41011002	Hides & Skns of Buffalo Incl. BU	KG	788597	435455	1735580	6692264	1491141	34225462	17.264	0.0	F	
9101001	Ginger Fresh	KG	3313729	4607010	4659125	3594489	5285811	32020305	12.382	32.0	R	CG

IT Code	Description	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95	GR (%)	TR	NTB	Remarks
12119026	Ayurvedic & Uniani Herbs N.E.S.	KG	960932	1485198	748846	1936331	1264895	29417670	7.113	52.0	R	Imp. Lic. by actual user only
55095100	Other yarn of polyster stpl fibres	KG	0	0	0	0	314547	28370278		82.4	F	
15151900	Other linseed oil & its fractns	KG	494758	729622	1092816	838510	1620838	27248481	34.535	42/32	M	Pref. 40% seed quality free
41061903	Wet blue chrome tanned goatle	KG	0	0	5500	751472	3149254	23262008		22.0	F	
33069000	Othr Prpns Oral/Dental Hygne	KG	0	0	0	27000	263400	22266652		52.2	F	
54025200	Othr Yarn of Polyesters, Single	KG	0	0	0	0	203116	17020267		84.8	F	
19021900	Othr Uncookd Notstfd/Othr WSep	KG	108850	199254	113932	309975	552254	15560185	50.082	52.0	R	CG
54031009	Othr Viscos Rayn Filamnt Yarn	KG	0	0	0	0	149120	15438562		51.8	F	
23069002	Oil Sake & Oil Cake Meal of Mu	TON	773	1407	6995	6641	5441	1455889	62.883	52.0	C	Thro STC and HVOC
23069029	Oil Cake & Othr Oil Cake Meal	TON	3578	5129	6676	9233	7186	14464074	19.045	52.0	C	-Do-
23022002	Rice Bran-Raw	TON	7024	5080	2968	13444	9753	11875558	8.552	52.0	C	-Do-
54024300	Yarn of Other Polyster, Singl	KG	0	0	0	145794	127862	11771815		84.8	F	
1042000	Live Goats	NO	26599	22517	19092	25151	36888	11653443	8.519	52.0	R	IMP.LIC
87089900	Otr Prts & Accssrs of Vhcls of H	KG	0	0	0	0	20000	11578125		74.8	F	
54033900	Other Yarn, Single	KG	0	0	0	47286	115491	11532095		51.8	F	
53101003	Hesian Cloth Contng 85% By WT	TON	351	2440	2688	2644	741	10495809	20.539	67.2	R	CG
1029001	Bulls, Adult Othr Thn Pure Bred	NO	0	15090	14938	16613	16479	10380920		52.0	R	IMP.LIC
19053003	Sweet Biscuits	KG	17654	88884	262228	306464	475048	92223644	127.760	52.0	R	CG
3401909	Household & Laundry Soaps NE	KG	0	0	6700	100467	258596	8397855		52.0	R	CG
41041039	Other Chrome Tanned Leather	KG	0	230000	1289200	1375506	1100350	8102378		22.0	F	
1029009	Others (Excluding Bulls & BUff)	NO	2054	15126	21717	8513	42958	7476638	113.850	52.0	R	IMP.LIC
12130000	Cereal Straw & Husks Unprpd W	TON	4980	4348	5361	5213	3734	7468889	-6.946	52.0	R	-Do-
54026200	Othr Yarn of Polystrs, Multpl O	KG	0	0	0	38500	97375	7362613		84.8	F	

IT Code	Description	Unit	Qty '91	Qty '92	Qty '93	Qty '94	Qty '95	Value '95	GR (%)	TR	NTB	Remarks
54023300	Textured Yarn of Polyesters	KG	0	0	0	18800	68451	6126374		84.8	F	
54034109	Viscose Rayon Filamnt Yarn, OTH	KG	0	0	0	0	64073	5904253		51.8	F	
55094209	Other Spun Yarn	KG	0	0	0	0	49875	5768374		82.4	F	
23023000	Bran Sharps & Othr Residues of	TON	3562	7784	6390	4721	3107	5469360	-3.359	52.0	C	Thro Stc and Hvoc
12119039	Others	KG	56195	130358	476691	170316	244042	5337500	44.358	52.0	-	
4055003	Melted Butter (Ghee)	KG	0	56173	167680	122618	84836	5334431		32.0	R	CG
41031001	Goat Skins pickled (Wet Salted)	KG	0	1700	3000	27555	41000	5218418		0.0	F	
4102102	Whle Hds & Skns of Bfflo Incl	KG	0	5100	24980	5400	51200	5144438		0.0	F	
54022009	Other Polyester (Excl Terylene	KG	0	0	0	68201	59723	4904354		84.8	F	
32030001	Cutch (Catechu) Extracts	KG	24920	26584	46990	16982	23160	4342163	-1814	70.4	F	
14039009	Others	KG	157100	415131	1003676	1603001	1250633	4339308	67.973	12.0	F	
55062000	Staple Fibrs of Polyesters, Car	KG	0	0	0	0	46474	4339208		58.4	F	
38061009	Other	KG	2500	59636	4776	99168	173307	4263572	188.550	70.4	F	
23022001	De-Oiled Rice Bran	TON	39	76	6733	5170	3511	4210699	208.030	52.0	C	Thro Stc and Hvoc
53071001	Yarn of Jute, Single	KG	0	0	0	1007900	393100	3925507		52.0	F	
5095300	Other Yarn of Polyster Staple	KG	0	0	0	296160	47702	3807445		82.4	F	
54076002	Polyester Suitings	SQM	0	0	0	0	63714	3557875		52.0	F	

Source : Computerised Database, DGCL & S, Calcutta Tariff Rates obtained from easy reference customs tariff, 1996–97

Table 21(F)

Quantities of Products imported from Pakistan, sorted by value during 1994–95 and their average annual growth rates, 1995–91 and trade restrictions of them

IT Code	Description	Unit	Qty 91	Qty 92	Qty 93	Qty 94	Qty 95	Value 95	G.R.	T.R	NTB	Remark
8041003	Dry Dates Hard (Chhohara or KH	KG	21475449	13165131	18531416	26472154	38509008	568137071	15.719	32/22	F	PREF. 30%
17019909	Othr Refnd Sugar Including Cent	TON	0	0	0	0	28125	333700453		52.2	F	
17019902	Cane Sugar Refund	TON	0	0	0	0	11860	153744718		52.2	F	

IT Code	Description	Unit	Qty 91	Qty 92	Qty 93	Qty 94	Qty 95	Value 95	G.R.	T.R	NTB	Remark
8062001	Raisins	KG	650947	1098041	2407293	2222935	2004319	105174435	32.466	132/122	F	PREF 125% Rs. 50Kg.
55169400	Othr Mixed Woven Fabrics of AR	SQM	0	79700	1025027	1171500	1263837	95233647		52.0	R	CG
13019003	Asafoetida	KG	19666	5087	117092	240937	378676	47357282	109.480	52.0	F	
12079100	Poppy Seeds W/N Broken	KG	1896834	98665	3128233	3454900	3678552	43171266	18.008	52/42	R	PREF. 40% IMP. LIC
8062009	Sultanas & Other Dried Grapes	KG	285892	547790	855993	860064	674786	35588323	23.948	132/122	F	PREF. 125% Rs. 50 Kg.
8021100	Almonds Frsh or Driendin Shell	KG	1520304	1348091	1731009	1441842	894088	34677128	-12.420	Rs. 44Kg/ Rs. 39Kg. + 2%	F	PREF. Rs. 39 Kg.
54033300	Othr Yarn of Cellulose Acetate	KG	266677	155867	18179	349976	223201	20244370	-4.352	51.8	F	
26201900	Othr Ash & Residue Conting Mai	KG	2542233	1590880	1361000	927987	1436700	15983500	-13.290	45.2	R	IMP. LIC. (Hazardous Waste)
8025000	Pistachios Fresh or Dried	KG	215545	120187	140978	289168	170570	15154000	-5.683	52/42	F	PREF. 40%
52051109	Mercerized Unspecified	KG	0	0	0	0	164784	13627731		52.0	F	
8021200	Shelled Almonds Frsh or Dried	KG	17714	43801	108322	77565	119170	13601057	61.051	Rs. 80Kg./ Rs. 75Kg + 2%	F	PREF. Rs. 75 Kg.
25010002	Rock Salt	TON	18215	14558	18317	18483	16319	12675956	-2.710	42.0	F	
41042905	Bovine Leather Otherwise...		0	700000	842411	1753252	1411668	12591361		22.0	F	
41042909	Other		0	1500713	4260642	6135762	1414511	12261137		22.0	F	
8042002	Figs Dried	KG	38079	135201	427345	401105	307905	11864801	68.629	52/42	F	PREF. 40%
8131000	Apricots, Dried	KG	17326	70681	84849	188281	264881	10797302	97.737	52/42	F	PREF. 40%
12111000	Liquorice Roots Frsh/Drid W/N	KG	220494	17400	146323	430861	1200794	9143585	52.763	52.0	F	
41043909	Others	KG	63880	939330	1210916	487890	922902	8675649	94.961	22.0	F	
51012900	Othr Degresd Wool NT Crbnsd NO	KG	197851	239323	5256110	3688035	206838	6876546	1.117	27.0	F	

IT Code	Description	Unit	Qty 91	Qty 92	Qty 93	Qty 94	Qty 95	Value 95	G.R.	T.R	NTB	Remark
52094200	Denimcy Arns of Different Colou	SQM	0	0	33500	63000	67660	628672		52.0	R	CG
9093001	Cumn Black (Kaluiri)	KG	71349	95564	168660	106912	353742	5594878	49.219	32.0	M	Free for Seed Quality
9094000	Seeds of Caraway	KG	29251	9961	58404	288130	194034	5427016	60.485	32.0	M	-Do-
8091000	Apricots Fresh	KG	47808	107299	143424	132842	133735	5137777	29.326	52/42	RF	PREF. 40% IMP LIC
52085909	Others	SQM	2066795	139870	727000	209081	65587	4715808	-57.790	52.0	R	CG
51012100	Degresd shorn Wool NT Crbnsd N	KG	12983	0	299818	160329	135396	3874628	79.704	27.0	F	
84733009	Parts & Accessories—Others		0	0	0	0	1097	3643137		40.3	M	R (Reconditioned Components)
8134009	Othr (Excep Dried Citrus Frut)	KG	14775	6777	48218	66418	71258	3043103	48.193	52/42	R	PREF 40% , CG
12119026	Ayurvedic & Unani Herbs NES	KG	20759	39972	64144	217196	460838	2801648	117.060	52.0	R	IMP.LIC by Actual User
51032009	Othr wst of Wool Excl Sheeps	KG	107672	35505	429062	249596	176230	2739170	13.108	52.0	F	
12119039	Others	KG	416696	387126	506030	674177	279492	2697438	-9.502	52.0	NA	
41042904	Bovine Leather EL Tanned...		0	1399420	781825	2125144	310000	2035313		22.0	F	
52093909	Others	SQM	10100	0	0	0	64933	1923864	59.234	52.0	R	CG
13019009	Other Natural Gums	KG	21926	54100	109405	55912	214260	1732561	71.227	52.0	F	
74040001	Waste & Scrap of Copper	KG	329325	0	60245	0	40000	1638946	-40.960	51.8	M	R (Empty or Discharged (Arti)
51032100	Waste of Sheeps & Lambs Wool	KG	21591	148874	368874	301271	109285	1368091	40.993	52.0	F	
8022100	Hazelnuis in shell Frsh or Dri	KG	0	0	0	2751	26811	1329961		52/42	R	PREF. 40% CG
60012900	Looped Pile Fabrics of Othr TX	KG	0	0	0	0	16000	1304890		52.0	R	CG
41051902	Finished Leather of Vegetable	KG	173633	4828024	1043812	179156	129370	1293726	-7.093	22.0	F	

IT Code	Description	Unit	Qty 91	Qty 92	Qty 93	Qty 94	Qty 95	Value 95	G.R.	T.R	NTB	Remark
13019019	Other Resins	KG	44500	10000	19925	4600	168998	1286706	39.598	52.0	F	
12123001	Apricot Kernels	KG	0	3000	11100	21834	21188	1243693		52.0	R	CG
13019029	Other Gum Resins	KG	107891	163027	128843	117972	158879	1215479	10.159	52.0	F	
41061909	Other Finshd Tannd Lthr From G	KG	20059	310000	31007	239225	91775	960307	33.309	22.0	F	
99930002	Returned Goods		0	0	0	0	0	940778		NS		
71031019	Other Semi Precloms Stone Uncu	CRT	13911	28816	35014	95422	16385	845860	4.177	52.0	R	IMP. LIC
111000	Peas (Pisum Sativum) Dried & S	TON	0	0	0	0	100	843556		12.0	F	Pref. 10%. Toxic Pulses Pro
54033900	Other Yarn, Singl	KG	0	0	0	0	8499	782292		51.8	F	
43043902	Chrome Uppers	KG	0	0	0	0	85000	737284		22.0	F	

Table 21(G)

Quantities of Products imported from Sri Lanka, sorted by value during 1994–95 and their average annual growth rates, 1995–91 and trade restrictions of them

IT Code	Description	Unit	Qty 91	Qty 92	Qty 93	Qty 94	Qty 95	Value 95	G.R.	T.R	NTB	Remark
17019909	Othr Refnd Sugar Including Cent	TON	0	0	0	0	15525	197961344		52	F	
72044909	Remelting Scrap Other		0	12741	15558	42063	34103	173466631		51.8	F	
15201000	Glycerol (Glycerine) Crude Glyce	KG	876832	3596985	408905	1941850	162892	61641976	16.71	70.4	F	
9041103	Black Pepper Garbled	KG	470582	1146979	912291	403108	833400	55555402	15.36	32/24.5	R	Prep42.5%, CG
27079901	NA		0	0	0	0	8751000	52522105		58.4	F	
99930002	Returned Goods		80	7	0	0	0	41461117	-100.00	N.S.	-	Not Specified
72044901	N.A.		0	0	250	0	5894	29798361		51.8	F	
72045000	Remelting Scrap Ingots	TON	30140	9427	11090	2378	5624	27659815	-34.27	51.8	F	
74040002	Wst & Scrp of Copr Aloys(EG BR)	KG	230150	259000	274992	318000	856266	23330525	38.88	51.8	M	R(Empty or Disch Cart, All SI

IT Code	Description	Unit	Qty 91	Qty 92	Qty 93	Qty 94	Qty 95	Value 95	G.R.	T.R	NTB	Remark
74040001	Waste & Scrap of Copper	KG	103350	185000	319500	195000	460000	16762714	45.25	51.8	M	-Do-
47071000	Waste and Scrap of Unblechd Kraf	KG	113084	0	502300	740610	2093020	12077686	107.42	28.4	F	
79020000	Zinc Waste and Scrap	KG	0	0	0	75000	614300	9063099		51.8	R	IMP. LIC
29337100	6 Hexanelactam (Epsilon-Caprol)	KG	0	0	0	0	262500	8322870		58.4/46.4	F	Pref. 40%
25041001	Graphite Crystalline(Flakes)	KG	122291	22000	35950	233700	666124	8145032	52.77	42/32	F	Pref. 40%
85152109	Others	NO	0	0	0	0	15	7855961		39.7	F	
26140003	Rutle	KG	0	0	0	755500	501000	6808378		12	M	Rare earth Oxides Restricted
47079000	Other Incl Unsorted Waste and S	KG	712399	919323	3807900	1152850	1099070	6602846	11.45	28.4	F	
40012100	Natrl Rubr in Smkd Sheets	KG	17444	72556	2575000	2898000	150200	6200087	71.30	22	R	IMP. LIC
78020000	Lead Waste & Scrap	KG	80000	0	628800	708000	1120500	6092958	93.46	51.8	R	IMP. LIC
47073000	Wste and Scrp of Othr Papr/Pap	KG	0	0	0	35000	1000446	5733674		28.4	F	
13019048	N.A		0	0	0	0	351100	5661124		52	R	IMP, LIC
508002	Chanks	KG	0	0	0	74000	47000	5499377		12	F	
15131900	Coconut (Copra) Refined Oil &	KG	136800	51300	136664	44000	205600	5347114	10.72	42/32	C	Pref. 40% THRO; STC & HVOC
44039929	Other	CM	108	0	0	0	424	5267079	40.76	12	F	
85049002	Prts of Othr Electric Pwr Mchn	KG	0	0	6	0	6535	4878421		39.7	F	
41043909	Others	KG	140	0	0	74960	483467	4283474	666.58	22	F	
13019009	Other Natural Gums	KG	0	54000	0	0	240160	3615931		52	F	
39021000	Polypropylene	KG	236000	15000	0	0	150000	2748400	-10.71	65	F	
41061909	Other Finshd Tannd Lthr From G	KG	821	16000	0	12470	272480	2725581	326.82	22	F	
26201900	Other Ash & Residue Conting Mai	KG	0	42000	22000	86000	150000	2711904		45.2	R	IMP. LIC
39269003			0	0	0	0	4210	2680068		77.5	F	

IT Code	Description	Unit	Qty 91	Qty 92	Qty 93	Qty 94	Qty 95	Value 95	G.R.	T.R	NTB	Remark
15131100	Coconut (Copra) Crude Oil & FR	KG	0	0	0	0	103000	2673330		42/32	C	Pref 40%, THRO STC & HVOC
5061001	Bons Incldg Hrn Cors Crushd T	KG	0	0	20000	295500	514910	2668329		12	M	R (Under Wildlife Protection Act
87084000	Gear Boxes	KG	0	0	0	0	6000	2600225		74.8	F	
54023909	Others	KG	0	0	0	0	31500	2551080		58.4	F	
5041102	Light Black Pepper And Pinhead	KG	202838	105960	52000	0	39200	2393802	-33.69	50	R	Pref. 42.5% CG
76071109	Other Aluminium Foil, Rolld	KG	0	0	0	0	15877	2315939		40	F	
73110002	Low Pressure Cylinder (Working)	KG	47186	154630	280350	309214	90742	2314621	17.76	50	F	
41043904	Buffalo Sole Leather	KG	0	0	0	0	210500	2309051		25	F	
85049001	Parts of Transformers	KG	0	0	0	0	2480	2218524		50	F	
13019049	Other Balsam/Oleoresins	KG	293000	667482	399500	261500	140000	2176395	-16.85	50	M	Actual User LIC for Most Item
41042909	Other		0	3600	20000	198350	223854	2122399		-	F	
84182900	Other Household Type Refrigera	NO	0	0	0	0	144	2064884		50	R	CG
9081001			0	25968	25000	45454	73902	2056372		50	F	Pref 42.5%
54021002	Yarn of Other Nylon	KG	0	0	0	7225	23625	1930028		50	F	
13019019	Other Resins	KG	52500	126000	79500	0	100240	1898359	17.55	50	F	
87089900	Other Parts & Accssrs of Vhcls of H	KG	0	0	0	15	6000	1565201		50	F	
52081149	Unspecified Descriptions Millm	SQM	0	0	0	0	28000	1544736		50	R	CG
73110003	Hgh Prsr Cylndr Wrkng Prsr 35	KG	0	19750	0	0	28171	1389870		50	F	
84186209	Others	NO	0	0	0	0	96	1376590		50	-	Not Specified

Source: Computerised Database, DGCL &S, Calcutta tariff rates obtained from easy reference customs tariff, 1996–97

Table 22

Section-Wise Percentage Distribution of India's export to South Asian Countries based on harmonised system: 1994–95

Sections : Countries	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV	XVI	XVII	XVIII	XIX	XX	XXI	All Sections
Bangladesh	0.57	6.94	0.01	1.04	9.95	8.28	2.10	0.02	0.16	2.81	42.07	0.02	1.47	0.25	6.00	9.10	8.39	0.20	0.00	0.07	0.55	100.00
Bhutan	0.13	0.12	0.24	15.26	2.45	0.30	0.00	0.00	7.22	0.00	0.00	0.00	0.60	0.00	0.69	NGL	1.72	0.00	0.00	0.00	71.26	100.00
Maldives	1.67	22.56	NEGL	1.67	20.52	4.58	1.80	0.15	1.03	3.02	26.58	0.08	1.06	0.02	8.19	3.94	0.94	0.23	0.00	1.04	0.74	100.00
Nepal	0.32	4.26	0.01	7.94	7.49	17.21	1.98	0.01	0.92	2.27	4.10	0.06	1.30	0.00	7.55	16.40	24.95	0.30	0.01	0.43	2.49	100.00
Pakistan	NEGL	21.65	0.18	25.18	22.48	17.31	0.50	0.01	0.07	1.65	2.50	0.01	0.71	0.00	3.41	3.43	0.07	0.11	0.00	0.72	0.02	100.00
Sri Lanka	0.94	8.19	0.07	4.78	6.24	9.06	3.76	0.15	0.77	2.39	18.12	0.04	1.64	0.26	12.01	7.60	22.89	0.38	NEGL	0.42	0.25	100.00
SAARC	0.65	7.88	0.04	4.13	9.24	9.70	2.48	0.06	0.49	2.55	28.65	0.03	1.46	0.21	7.83	8.97	13.8	0.26	NEGL	0.25	1.28	100.00

Note :

Section I : Live Animals, Animal products (Chs. 01–05);

Section II : Vegetable products (CHS. 06–14);

Section III : Animal or Vegetable fats and oils and their cleavage products : prepared edible fats : Animal or vegetable waxes (CH 15)

Section IV : Prepared Foods Tuffs; Beverages, spirits and vinegar; Tobacco and Manufactured Tobacco substitutes (CHS 16–24)

Section V : Mineral Products (CHS. 25–27)

Section VI : Products of the Cemical or Allied Industries (CHS. 28–38);

Section VII : Plastics and Articles thereof; Rubber and articles thereof (CHS. 39–40);

Section VIIII: Raw hides and Skins, leather, fur skings and articles thereof; saddlery and harness; Travel Goods, Handbags and Similar containers; Articles of Animal Gut (Oth. than Silkworm) (CHS. 41–43);

Section IX : Wood and Articles of Wood; Wood Charcoal; Cork and Articlfs of cork; manufactures of straw, of Esparto or of other plating materials; Basketwarf: and Wicker Work (CHS. 44–49);

Section X : Pulp of Wood or other Cellulosic material; Cork and articlfs of Cork; Manufactures of Straw, of Esparto or of other plating materials; Basketwarf and and Wicker work (CHS. 44–46)

Section XI : Textile and textile articles (CHS. 50–63);

Section XII : Footwear, Headear, Umbrellas, Walking Sticks, Prepared Feathers, Artificial Flowers Etc. (CHS. 64-67)

Section XIII : Articles of Stone, Plaster Cement, Asbestos, Mica or Similar Materials, Ceramic Products Glass and Glassware (CHS. 68–70);

Section XIV: Natural or Cultuped Pearls, Precious or Semi-Precious Stones, Precious Metals, Metals Clad with Metal and Articles thereof, Imitation Jewellery, Coin (CH. 71);

Section XV: Base Metals and Articles of Base Metal (CHS. 72–83);

Section XVI: Machinery and Mechanical Appliances; Electrical equipment and parts thereof; sound records and reproducers,; Television Image and Sound Recorders and Reproducers, and parts and Accessories of such articles (CHS. 84–85);

Section XVII: Vehicles, Aircraft, Vessels and Associated Transport equipmetn (CHS. 86–89);

Section XVIII: Optical, Photographic, Cinematographic, Measuring, Checking, Precision, Medical or Surgical Instruments and Appartus; Clocks and Watches; Musical Instruments, Parts and Accessories Thereof (CHS. 90–92);

Section XIX); Arms and Ammunition, parts and Accessories thereof (CH.93);

Section XX: Miscellaneous Manufactured Articles (CHS. 94–96);

Section XXI: Works of Art, Collectors pieces, and Antiques (CHS. 97–99);

Table 23

Section-Wise Percentage Distribution of India's import to South Asian Countries based on harmonised system : 1994–95

Sections : Countries	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV	XVI	XVII	XVIII	XIX	XX	XXI	All Sections
Bangladesh	1.74	0.00	0.42	0.57	0.31	41.74	NEGL	6.49	0.00	0.13	48.03	0.03	0.00	0.00	0.18	0.06	0.07	0.00	0.00	0.00	0.23	100.00
Bhutan	0.00	0.43	0.00	2.66	2.65	42.45	0.00	0.00	47.62	0.00	0.00	0.00	0.00	0.00	3.39	0.00	0.00	0.00	0.00	0.00	0.80	100.00
Maldives	1.28	3.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	95.29	0.00	0.00	0.00	0.00	0.00	0.39	100.00
Nepal	3.49	30.35	7.64	7.32	0.07	10.03	0.01	7.74	0.01	NEGL	26.52	NEGL	0.01	0.00	0.85	0.62	1.06	0.04	0.001	0.01	4.24	100.00
Pakistan	0.00	56.21	0.00	29.43	1.78	0.03	NEGL	2.36	0.00	0.04	9.61	0.00	0.00	0.10	0.11	0.23	0.00	0.03	0.00	0.00	0.06	100.00
Sri Lanka	0.94	8.57	7.91	22.50	8.24	1.45	2.05	1.69	0.60	3.25	0.98	0.00	0.07	0.02	33.83	2.64	0.48	0.03	0.00	0.03	4.74	100.00
SAARC	1.27	24.84	2.97	14.49	2.23	15.96	0.33	4.04	5.10	0.56	19.17	0.01	0.01	0.04	6.19	0.64	0.32	0.02	0.00	0.01	1.81	100.00

Note :

Section I: Live Animals, Animal products (CHS. 01–05); Section II : Vegetable products (CHS. 06–14);

Section III: Animal or vegetable fats and oils and their Cleavage products : prepared edible fats: Animal or vegetable waxes (CH.15)

Section IV : Prepared Foodstuffs; Beverages, Spirits and Vinegar; Tobacco and manufactured Tobacco substitutes (CHS 16–24)

Section V : Mineral products (CHS. 25-27); Section VI : Products of the Chemical or Allied Industries (CHS. 28–38);

Section VII: Plastics and Articles thereof; Rubber and Articles thereof (CHS. 39–40);

Section VIII : Raw Hides and Skins, Leather, Fur Skings and Articles thereof; Saddlery and Harness; Travel Goods, Handbags and Similar Containers; Articles of Animal Gut (Otr. than Silkworm) (CHS. 41–43);

Section IX : Wood and Articles of Wood; Wood Charcoal; Cork and Articles of Cork; Manufactures of Straw, of esparto or of other Plaiting Materials; Basketware and Wicker Work (CHS. 44–46);

Section X : Pulp of wood or other cellulosic material; waste and scrap of paper board; paper and paper board and articles thereof (CHS. 47–49);

Section XI : Textile and Textile Articles (CHS. 50–63);

Section XII : Footwear, Headgear, Umbrellas, Walking Sticks, Prepared Feathers, Artificial Flowers Etc.(CHS. 64–67);

Section XIII : Articles of Stone, Plaster Cement, Asbestos, Mica or Similar Materials, Ceramic Products Glas and Glassware (CHS. 68–70);

Section XIV : Natural or Cultured Pearls, Precious or Semi-Precious Stones, Precious Metals, Metals Clad with Metal and Articles thereof, Imitation Jewellery, Coin (CH.71);

Section XV : Base Metals and Articles of Base Metal (CHS. 72–83);

Section XVI : Machinery and Mechanical Appliances; Electrical Equipment and parts thereof; Sound recordps and Reproducers; Television image and sound recorders and reproducers, and parts and accessories of such Articles (CHS. 84-85);

Section XVII : Vehicles, Aircraft, Vessels, and Associated Transport Equipmetn (CHS. 86-89);

Section XVIII : Optical, Photographic, Cinematographic, Measuring, Checking, Precision, Medical or Surgical Instruments and Apparttus; Clocks and Watches; Musical instruments, parts and Accessories thereof (CHS 90-92);

Section XIX : Arms and Ammunition, Parts and Accessories thereof (CH.93); Section XX : Miscellaneous Manufactured Articles (CHS. 94-96)

Section XX : Miscellaneous manufactured articles (CHS. 94-96);

Section XXI : Works of Art, Collectors Pieces and Antiques (CHS. 97-99)

(Source for Tables 18-A to 23 : Research & Information System, India Habitat Centre, Lodhi Road; New Delhi-110003. Paper on SAPTA by Dr. Indra Nath Mukherji presented at SAARC Tripartite Brainstorming Session (Workshop), Sep. 17-18, 1996.

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The Path Ahead

Summary of Recommendations

As a means of advancing the goals of SAARC, the following recommendations are put forward. These have already been dealt with at length in the respective chapters earlier.

Political

1. Over the years it has been found that the provision of unanimity in the SAARC charter has halted the progress of SAARC. While the principle of unanimity for all its decisions remains sacrosanct, countries may consider making unilateral concessions by way of setting an example to promote regional cooperation.
2. Sub-regional co-operation within the SAARC region should be strengthened; the North and the North East sub-region comprising Nepal, Bhutan, Bangladesh and India; the southern Sub-region comprising Maldives, Sri Lanka and India; and the Western sub-region comprising Pakistan and India.
3. The summits should increasingly explore solutions to mutual problems in an informal atmosphere and ministerial meetings should be held quite regularly to explore solutions to mutual problems not only formally but often in an informal atmosphere in the fields earmarked for technical committees.

Security

1. A group of experts may be set up to study the multiple dimensions of South Asian security and the release of 'peace dividend' for the benefit of the people of the region. To start with this need not be a governmental forum.
2. The SAARC agenda should embrace both negative & positive peace & security. The SAARC agenda for positive peace should include a commitment by all member states to the peaceful resolution of all their differences and promotion of the spirit of human fraternity across social, economic & national frontiers in the region.
3. Based on the principles enshrined in the SAARC Charter,

member states should issue a joint declaration stressing that a war among them is inconceivable any more and is completely ruled out.

Information & Communication

1. The countries of the South Asian region, with assistance from within the region and without, should put up a regional communications satellite (SAARCSAT) to be used by them on a cost sharing basis for both national & regional broadcasts. Inter alia, SAARCSAT should be used for broadcasting programmes to the rural millions on themes like health, education, sanitation, family planning and environment conservation.
2. An effective regional news and informations network should be established under the title SAARC NEWS. The network should be SAARC-centred.

Science & Technology

1. To scuttle the cycle of high population growth-low development-higher population growth, effective and meaningful intervention of Science & technology in agriculture and rural development is needed. Public investment in agriculture has to be boosted up to help SAARC countries to achieve self sufficiency.
2. SAARC must establish a Eureka of its own which may be called SAAREKA. The organization may be utilised for taking up SAARC Technology Missions. SAAREKA should emulate the collaborative spirit of Eureka with a willingness of the member countries to look at long term gains.
3. SAARC should undertake focal programmes in the form of SAARC Technology Missions (SARTEMS) in the following sectors:
    - i) Improved agriculture and dairy development using biotechnology, leading to a comprehensive Food Security System in South Asia.
    - ii) National Resource surveys and selective use of space technology & informatics to support sustainable development.

Environment & Natural Resource Development.

1. Each SAARC country should expand its taxonomic inventions and reference libraries and map South Asian plant and animal species.
2. The SAARC countries should individually and collectively, identify "hot spots" for priority conservation.
3. A SAARC Environment Board (SEB) should be formulated to

arrest pollution, prevent the extinction of species and preserve South Asia's biodiversity, forest cover, crop plants, livestock, wild animals etc. Preservation of habitats of unique & useful plants & animals and ecosystems should be given special attention.

4. SAARC should network with national agencies for the development of biodiversity management & training programs.
5. Emphasis needs to be placed on inspiring in-country conservation expertise and awareness through training, environmental education and public outreach; developing eco-tourism in protected areas; and expanding the protected areas system to ensure adequate representation to maintain forest;
6. SAARC should sponsor joint protection & development of the Himalayan environment.
7. SAARC should encourage joint and eco-friendly use of region's water and power resources. They should have subregional projects for designing, manufacturing, installing & maintaining energy systems. India should share its knowledge in the field of new & renewable sources of energy like solar batteries, solar plants with other countries in the region.

Human Resource Development

1. The SAARC countries should undertake joint programmes for making the following a reality by the year 2000:
   - (a) universal immunization programme.
   - (b) universal provision for safe drinking water and sanitation;
   - (c) universal elementary education; and
   - (d) elimination of gender gap in under five mortality rates, health and education.
2. The SAARC Secretariat should be entrusted with the preparation of an inventory of institutions & human resources in different disciplines.
3. A SAARC Human Resource Development Centre should be set up to improve the quality of human resource in the region.
4. The SAARC summit should undertake the commitment of devoting 20 per cent of the countries resources at the national & regional level for social development in the region

Enpowerment of Women

1. It is necessary that an organisation such as "South Asian Women's League" be founded to promote the welfare of women in the region.
2. The NGO's working for promoting women's welfare in SAARC countries should get together in a regional effort to exchange experience in handling the problem of women's development.

3. Women entrepreneurs of the SAARC member countries could develop an effective rapport with one another & thereby create opportunities for mutual learning.
4. A SAARC Women's Primary Education Fund should be created for selective use to promote the concept of universal education.

Eradication of Poverty

1. A bold pro poor poverty alleviation process must be set in motion to achieve the objective of poverty eradication by the year 2002, a goal to which SAARC is formally committed at the summit level.
2. The pro poor process should focus on capital building, not just rely on safety nets.
3. The strategic thrust of poverty eradication Programmes should be the establishment of participatory community organizations for the poor.
4. Opportunities for increasing entitlement of families should be expanded through direct state & community level initiatives and also through the programme of NGO's. Success stories such as the Grameen Bank, Maharashtra Employment Guarantee Scheme, the Aga Khan Rural Support Programme, the SEWA, the ANKUR, the Community initiatives in Bhutan and Rural Development schemes in Nepal deserve to be promoted & replicated region wide.
5. Since statistics on poverty differ violently, a 'POVERTY WATCH' mechanism should be set up by all the SAARC states upto district and village panchayat levels to keep track of the progress being achieved in eliminating poverty and arrest negative trends.

Economic

1. A new boost has to be given to SAPTA by announcing across-the-board tariff cuts and also by speeding up the time profile. Moving towards the South Asian Free Trade Area (SAFTA), by the year 2005 would require the fast track of progression in deliberately carved out annual phases.
2. A regional level Incentive Scheme as proposed by the IGSAC report submitted to the SAARC summit, 1995 for promoting investment flows should be adopted. The SAARC Chamber of Commerce and Industry should assist in identifying the sectors & the projects where a large potential for trade creating joint ventures exists.
3. Infrastructure of transport, communications, information flows, and movement of people among the member countries is extremely inadequate. These inadequacies greatly hinder the evolution of regional co-operation & trade flows.

4. SAARC Highways should be established from the north to the south and east to the west of the region as trunk lines of trade and development. Similarly a SAARC Airlines should also be created connecting all the seven capitals of the SAARC member states as soon as possible to promote tourism and people to people contacts.
5. A sophisticated South Asian Payment Union is urgently required for ensuring that the reverse flow of resource from the South Asian Region is stymied and the negotiations with the global financial system and the IMF etc. can be better co-ordinated among SAARC countries.

Institutional

1. A SAARC Institute for Integrated Development should be established as an autonomous body which would work in close co-operation with the SAARC Secretariat to promote regional co-operation. (Pl. see Annexure I)
2. Keeping in mind the cultural communality which binds the people of South Asia together, a SAARC Council for Cultural Relations is proposed, which will reflect the rich cultural unity & diversity of the region. (Pl. see Annexure II)

ANNEXURE I

Proposal for the Establishment of a SAARC Institute for Integrated Development

The end of the cold war accompanied by the wave of political pluralism and economic liberalisation throughout the world is about to create a new world order. The regional groupings seem to be in the offing as a means of integration with the global system. SAARC as a community of nations like other regional groupings is expected to possess an integrated vision not only in terms of regional economic cooperation and projection to the outside world but also to strengthen state and people-to-people relations within the region. In today's world the South Asian region must be able to indicate how it relates to the globalisation process, monitor the dramatic changes taking place outside the region on a regular basis, and redefine its relations in the changing world context both in the political and economic sense. A regional institution can play a vital role in this regard.

Unlike several other regional groupings SAARC, has a formidable, internally brewed and bred, common threat of "Poverty and hunger" of its large masses . That should prompt the ruling elites of the region to come together to cope with this potential viral common threat. But inspite of repeated efforts, "poverty alleviation" still remains a much desired objective of SAARC and continues to be a major challenge facing the South Asian nations today.

The issue can only be effectively tackled by realistically formulating strategies and programs followed by concrete action and follow-up measures in the economic growth process.

Although much has been said about harnessing the Himalayan rivers for the region's common benefit through co-operation, very little has been done in translating that into action. A recent study undertaken shows that "regional cooperation in the harnessing of these rivers, home to the largest concentration of the world's poorest, offers to all the countries gains beyond anything that can be achieved by isolated national efforts". This, of course calls for more closely collaborated studies to finding answers to "breaking the logjam and moving forward in a cooperative spirit".

Proposed Institutional Framework

On the basis of arguments propounded above, it is proposed that an autonomous policy research and analysis institution be created in the form of a foundation recognised by the governments of the region.

1. *Objectives*

   The main objectives of the institute will be to:
   - a) Evolve and develop a long term vision and strategy for the region to enable it to harness the full development potential based on its resource endowment.
   - b) Help formulate and evaluate policy reform packages for sustained economic growth and poverty alleviation within the region.
   - c) Recommend alternate policy options and ideas to policy makers.
   - d) Help policy makers identify, analyse and respond to various regional and global trends that influence or might influence the region.
   - e) Foster an intelligent and informed public dialogue, discussion and debate with a view to fostering regional goals and positions.

2. *Guiding Principles*
   - a) Full Autonomy
   - b) Close linkages with the governments and policy makers including the private sector
   - c) Close coordination with the SAARC Secretariat
   - d) Political neutrality and regional consensus

Organizational Structure

1. *Governing Council/Board*

   A Governing Council/Board should be set up comprising representatives from the member countries and people of merit and standing on an individual basis.

2. *Staffing*

   The institute should, through a sound infrastructure and a handsome pay scale, be able to attract the best talents available in the region. It should also be able to create a research and academic environment, stimulating intellectual challenges through freedom of expression, providing opportunities for intellectual interaction, autonomy and adequate support services and facilities.

The institute should have a core professional staff to begin with at the initial stage and should cover the areas of studies spelt out in the objectives.

3. *Finances*

It is vital that the institute be financially sustainable in order to be autonomous in the real sense of the term. Although support from the respective governments of the region is a prerequisite, the institute should not be totally dependent on government support. Hence the following sources will also need to be tapped for financing and sustaining the institute on a long term basis and making it economically viable.

— Endowment Fund
— Sponsored/Contract Fund

Conclusion

The establishment of an organization like the SAARC Institute for Integrated Development has been long overdue. An Institute of this nature staffed by professional talents from the South Asian Region would address regional issues, evolve strategies, evaluate policy through systematically conducted studies, provide policy input, monitor regional and global trends and through informed discussions, debates and follow up programs bridge the crucial void for SAARC to function as a viable regional grouping. The proposed Institute will work as an important think tank in close coordination with the SAARC headquarters and the respective SAARC governments and autonomous and private organisations throughout the region working in the area of development and cooperation. It will generate and foster ideas and schemes with a view to promote regional cooperation in all the vital fields of development.

ANNEXURE II

Proposal for the Establishment of a SAARC Council for Cultural Relations (SCCR)

The South Asian countries are heir to one of the richest civilizations of the world. They are inescapably bound to that multi-splendoured heritage. It anchors itself in the mosaic of South Asian languages, cultures and religious and spiritual traditions. To quote Maulana Azad, "Politically the world may be divided into rival camps. There may be clash of ideologies on the plane of material interests, but in the world of spirit, in the creation of art, philosophy, literature and other values mankind is one". It is the imprint of this message of universal brotherhood on our consciousness that unities the rich and diverse lands of South Asia. On the basis of this cultural affinity and commonality in the midst of colourful diversity a proposal is made for setting up a SAARC Council for Cultural Relations (SCCR) on the lines given below.

Objectives

The SCCR will have the following objectives:

(a) To strengthen cultural relations and mutual understanding between the seven SAARC countries.

(b) To promote cultural exchanges among the SAARC countries.

(c) To adopt all other measures as may be required to further SAARC's cultural and literary objectives including the following:

Festivals

The SCCR would arrange South Asian film festivals in South Asian capitals by rotation. Similarly South Asian Cultural Festivals will be organised from time to time.

Student Exchange Programmes

Keeping in mind the potential that university students have in spreading good will and understanding of their countries, the council shall give utmost priority to student exchange programmes in various universities of SAARC countries. The council shall arrange study tours to places of historical interest within the region.

SAARC Chairs in Universities of SAARC Countries

SCCR will establish SAARC chairs in the academic institutions of the region.

Composition

The Council will have a President and a Director General appointed by the seven governments by rotation. The Minister of Culture in each country would be the President of the council by rotation every year. The tenure of the Director General will be three years.

Finance

The SCCR will be funded jointly by all seven countries, each one of them contributing an agreed proportion of annual expenses. Initially, however, they would provide adequate seed money to help establish the SCCR.

EPILOGUE

THE NINTH SAARC SUMMIT

Even as this book was in the press, just awaiting the light of the day, the Ninth SAARC SUMMIT has met in MALE, the capital of Maldives, from the 12th to 14th of May, 1997. Thanks to the initiatives taken by India's Prime Minister, Shri I.K. Gujral including a telephone call to Mr. Nawaz Sharif, the Prime Minister of Pakistan, on the eve of the Summit and the warm response of the latter to the Indian overtures to create a new climate of relations in the entire region of South Asia under what has come to be called the 'Gujral doctrine', the atmospherics at the Male Summit were distinctly better than during the previous ones. This climate was helped by the bilateral meeting of the Prime Ministers of the two countries in the Maldive capital on 12th May which was described by the Pak Prime Minister as constructive and by his Indian counterpart as very friendly. While the fact of the meeting itself between the heads of government of South Asia's two largest countries was important, their decision to form working groups for studying various bilateral issues ought to be seen as a major breakthrough in the process of the resumption of dialogue between them. The impact of the event on SAARC was immediate and perhaps even profound. As Prime Minister Inder Kumar Gujral passed the baton as Chairman of SAARC to President Maumoon Abdul Gayoom of Maldives on Monday the 12th of May, 1997, and they settled down to discuss pending issues in that body with other Heads of State/Government of the member States, they found themselves better able to face the challenges of the future. The decision of the seven SAARC leaders to operationalise the South Asian Free Trade Area by the year 2001, advancing the target date by four years, was the direct outcome of this new climate. Their decision to place a new emphasis on anti-poverty programmes should also be seen in this light. Even more important is the realization increasingly dawning on the leaders as well as the peoples of South Asia that cooperation in the core developmental and trade areas has to occupy the centre stage without allowing bilateral differences to cast their shadow on it. That certainly augurs well for the future of SAARC as an organisation as well as for the region it represents. It also facilitates the task of SAARC nations eventually emerging as a regional community operating on the world stage. It is hoped that there would be no dragging of feet anymore. "We have to wake up from the stumber of inaction", said Mr. Nawaz Sharif at the Male Summit. "We either join the global mainstream or become marginalised."

Let South Asia join the global mainstream as a Community now.

The Seven SAARC Sisters
Brief Facts

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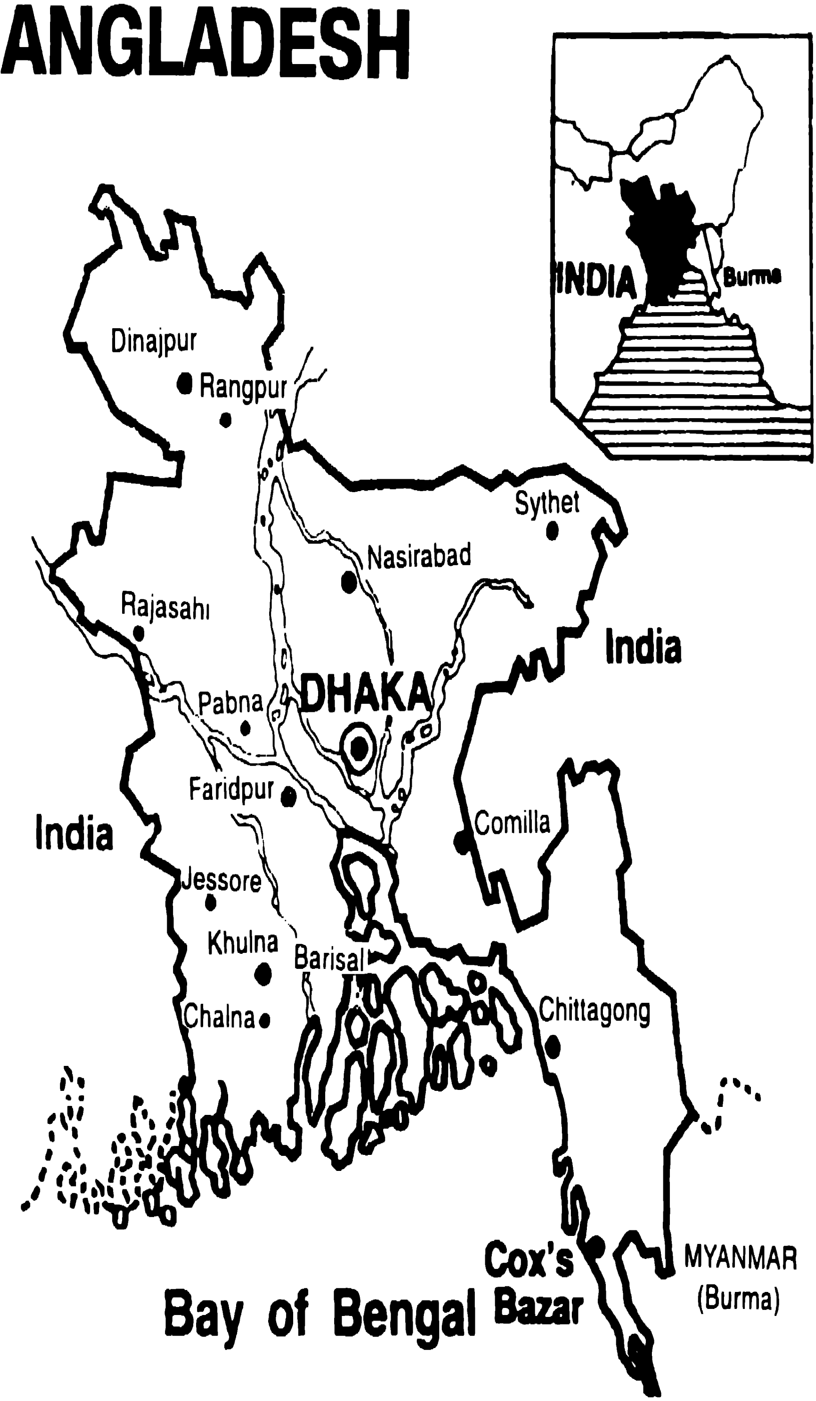
SOUTH ASIA AT A GLANCE

Index	Bangladesh	Bhutan	India	Maldives	Nepal	Pakistan	Sri Lanka
Population (millions) 1996	124.0	0.7	943.7	0.3	21.9	133.2	18.2
Area: 000 sq. km.	144	47	3,288	0.3	141	7.6	66
Life expectancy at birth (years) 1993	55.9	51	60.7	62.4	53.4	61.8	72
Adult literacy at 1993	37	40.2	50.6	92.8	26.3	36.4	89.6
Annual pop. growth rate 1960–93	2.5	1.9	2.2	2.7	2.4	3.0	1.8
Est. pop. growth rate 1993–2000	2.3	2.1	1.8	3.2	2.6	2.8	1.2
GDP ($/million) 1993	23.977	238	225,431	167	3,551	46,360	9,377
GDP growth rate 1996	4.7	5.5	7.0	5.8	2.3	6.1	5.6
Annual GDP growth % 1980–93	4.2	—	5.2	—	5.0	6.0	4.0
Per capita GNP 1993 ($)	220	—	300	820	190	430	600
Real per cap. GDP 1993 ($/PPP)	1,290	790	1.240	—	1.000	2,100	3,030
Total external debt ($/Bllions) 1993	13.9	..	91.8	—	2.1	26.0	6.8
Human Development Index (HD) 1993	0.365	0.307	0.436	0.610	0.332	0.442	0.698
Current A/C balance $/million 1993	-535	—	-685	-52.3	-236	-3.688	-541
Defence Exp. as % of GDP 1995	1.8	—	2.5	—	1.0	6.5	4.9
Pub. exp. on education (as % of GNP) 1992	2.3	2.4	3.7	6.6	2.9	2.7	3.3
Def. exp. as % of combined pub. exp on health and education 1990–91	41	—	65	—	35	125	107
Armed forces (active) 1995	115.500	—	1.145,000	—	35,000	587,000	125.300
Defence Budget ($/mllions) 1996	503	—	8,400	—	43 3,500	701	
Defence Expenditures per capta: $/1996	4.0	—	8.90	—	1.96	26.2	38.5
People per soldier	1,073	—	824	—	625	226	145
People per doctor	12,500	4,255	2,165	5,330	16,106	2,000	6,162
Total external debt $ billions upto 1993	13.9	—	91.8	—	2.0	26.0	6.8
Total net ODA received, 1994 $ million	1,757 77	2,324	130.3	448	1,606	595	
ODA 1994 as % of GDP	6.8	29.3	0.9	15.5	41.1	3.0	5.6
ODA 1994 per capita $	11.8	42.0	1.7	130.3	17.3	8.0	30.9
People (%) in poverty (urban/rural) 1990	56/51	—	38/49	—	19/43	20/31	15/36

BANGLADESH

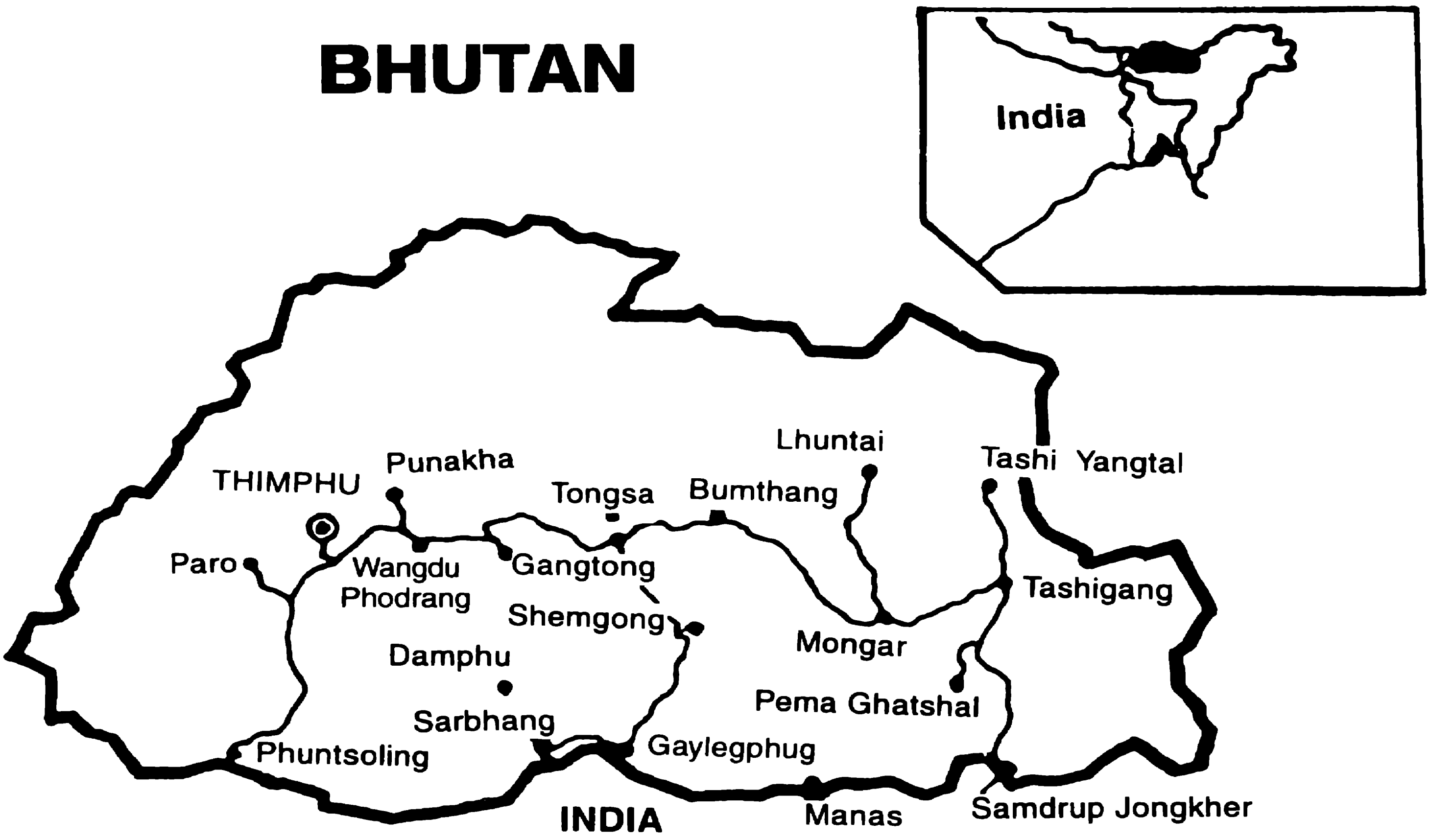

INDIA
Burma
Dinajpur
Rangpur
Sythet
Nasirabad
Rajasahı
India
DHAKA
Pabna
Faridpur
Comilla
India
Jessore
Khulna
Barisal
Chalna
Chittagong
Cox's Bazar
Bay of Bengal
MYANMAR
(Burma)

BANGLADESH

Capital : Dhaka
Area : 143,998 sq. km.
Population : 124 million (1996)
Climate : Sub-tropical Monsoon

Constitution and Government: The country's Constitution calls the state a 'Unitary, Independent, Sovereign Republic'. It provides for a multi-party parliamentary system. The Head of the State is the President and is elected by members of parliament. The Legislature is Unicameral in nature. All legislative powers are vested in the Jatiyo Sansad (National Parliament) which consists of 300 members elected for a period of five years and 30 reserved seats exclusively for women to be elected by an electoral college of the 300 Parliament members.

Currency : Taka (tk) TK40=US$1 (approx.)
GDP : US$ 2397.7 m. (1993)
GDP (Real per capita PPP) : US$ 1290 (1993)
GDP (Growth Rate) : US $ 4.7% p.a. (1996)
Agriculture : Rice, Sugarcane, Tobacco, Wheat, Tea, Jute.
Main Industries : Jute, Cotton, Textiles, Tea, Paper, Newsprint, Chemicals, Fertilizers and Light Engineering.
Minerals : Natural Gas, Limestone, Hardrock, Coal, Lignite, Silica sand, White Clay, Radioactive sand, etc.
International Relations : Member of the U.N., The Non-Aligned Movement, The Organisation of Islamic Conference, The Colombo Plan, The Commonwealth and SAARC


BHUTAN
India
THIMPHU
Punakha
Paro
Wangdu
Phodrang
Tongsa
Gangtong
Bumthang
Lhuntai
Tashi
Yangtal
Tashigang
Shemgong
Damphu
Sarbhang
Phuntsoling
Gaylegphug
Mongar
Pema Ghatshal
Manas
Samdrup Jongkher
INDIA

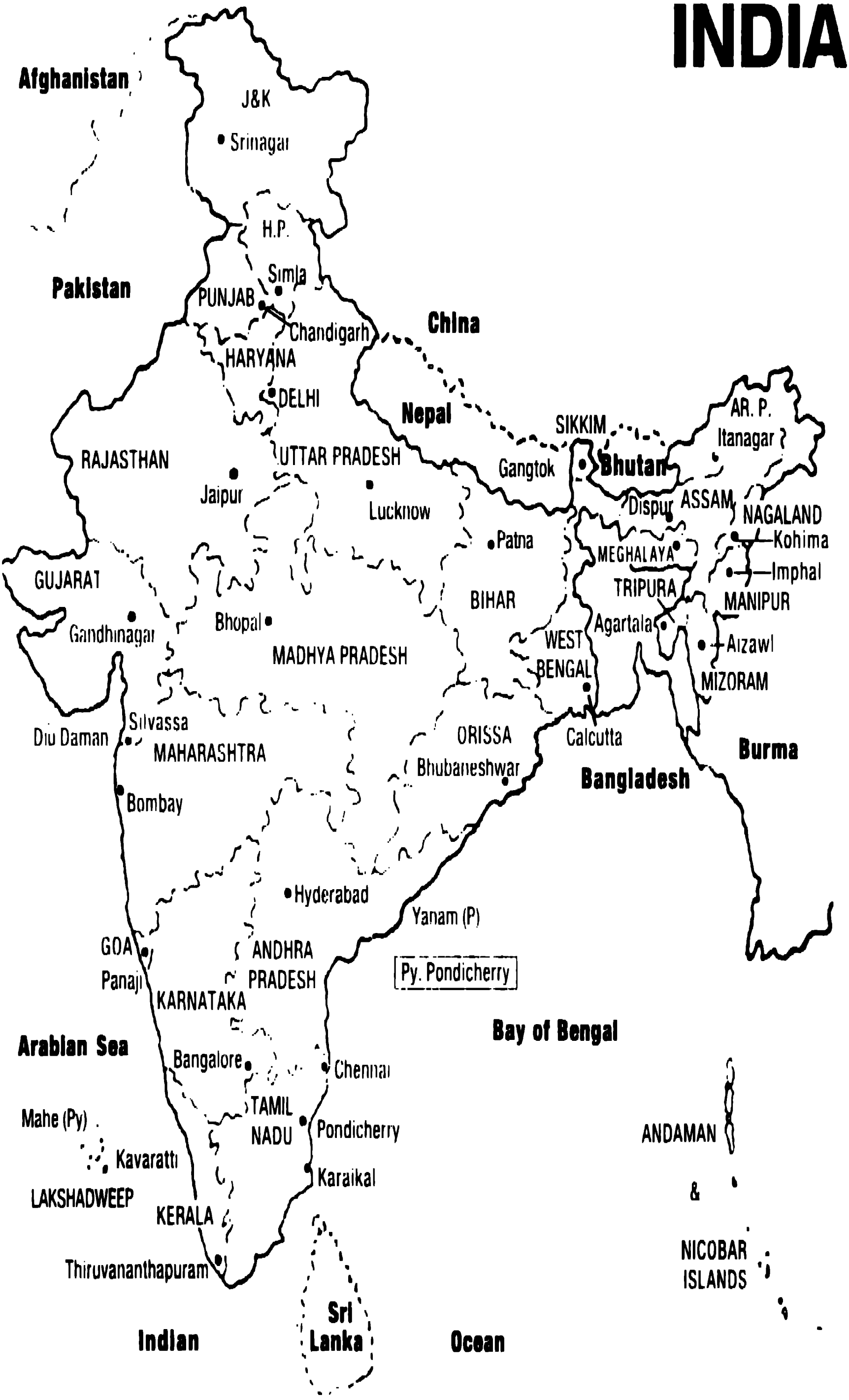
BHUTAN

Capital : Thimphu
Area : 46,500 Sq. Km.
Climate : Cold and snowy in mountainous north, moderate in the centre and sub-tropical in south.
Population (Estimate) : 700,000
Constitution & Government : His Majesty Jigme Singhe Wangchuck, governs with the assistance of Lhengyal Shungtsog (Cabinet) and Tshogdu (National Assembly) and Civil service.

The Tshogdu (National Assembly) has 150 members of which 105 are representatives of the people elected for a term of three years. The monk bodies elect 12 monastic representatives, while the remaining 33 members are representatives of the Government and are nominated by the King. The Tshogdu sits twice a year, in addition to emergency sessions. A Royal Advisory Council also exists to advise the King and the Ministers, consisting of 9 Councillors.

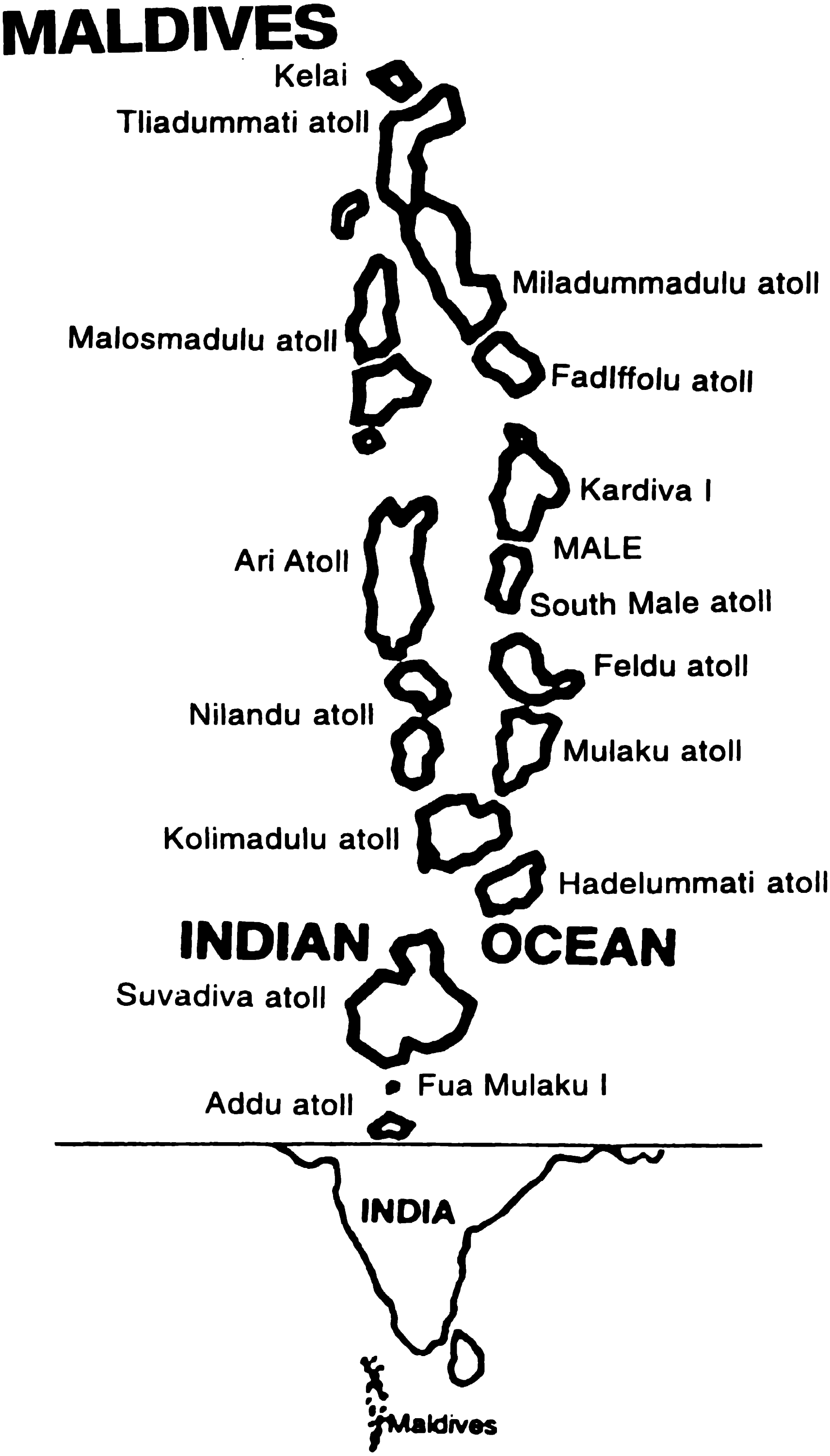
Currency : Nu. (1 Nu=1 Indian Rupee)
GDP : US$ 238 million (1993)
GDP per capita (PPP) : US$ 790 million
GDP growth Rate : 5.5% (1996)
Revenue : Nu 1,500 million (1993–94)
Expenditure : Nu 1,427 million (1993–94)
Principal Crops : Rice, Millet, Wheat, Barley, Maize, Potatoes, Oranges, Apples, Timber and Cardamom.
Main industries : Hydropower, Calcium carbide, Agro-based Industry, fruit products, Gypsum cement, Distilleries and Wood-based industries.
International Relations : Member of the UN, Non-aligned Movment and The Commonwealth and SAARC

INDIA


Afghanistan
J&K
Srinagar
Pakistan
H.P.
Simla
PUNJAB
Chandigarh
China
HARYANA
DELHI
Nepal
RAJASTHAN
UTTAR PRADESH
SIKKIM
AR. P.
Itanagar
Gangtok
Bhutan
Jaipur
Lucknow
Dispur
ASSAM
NAGALAND
Patna
MEGHALAYA
Kohima
Imphal
GUJARAT
TRIPURA
MANIPUR
BIHAR
Gandhinagar
Bhopal
Agartala
WEST
BENGAL
Aizawl
MADHYA PRADESH
MIZORAM
Silvassa
Diu Daman
MAHARASHTRA
ORISSA
Calcutta
Burma
Bhubaneshwar
Bangladesh
Bombay
Hyderabad
Yanam (P)
GOA
Panaji
ANDHRA
PRADESH
Py. Pondicherry
KARNATAKA
Bay of Bengal
Arabian Sea
Bangalore
Chennai
Mahe (Py)
TAMIL
NADU
Pondicherry
ANDAMAN
Kavaratti
LAKSHADWEEP
Karaikal
&
KERALA
NICOBAR
ISLANDS
Thiruvananthapuram
Sri
Lanka
Indian
Ocean

INDIA

Capital : New Delhi
Area : 32.88 million sq. km.
Population : 943.7 million (1996)
Climate : Ranges from temperate to tropical.
Constitution and Government : India is a sovereign, socialist, secular, democratic republic and a Union of States. There are at present 25 States and 7 Union territories. The Constitution envisages a Parliamentary form of Government. The executive authority is responsible to the elected representatives of the people. The President of India is the constitutional head of the Union. There is a Council of Ministers with the Prime Minister as the head who holds office for five years or till such time as he enjoys the confidence of the parliament.
Parliament : The Constitution of India provides for a bicameral Parliament consisting of two Houses known as Rajya Sabha, the Council of States (250 members) and Lok Sabha, the House of the People (545 members).
Currency : Rupees (Rs. 35=US$ 1 (approx.)
GDP : US$ 225,431 million (1993)
GDP Real per capita (PPP) : US$ 1240 (1993)
GDP Growth Rate : 7% (1996)
International Relations : Members of the UN,
Non-aligned Movment,
The Commonwealth,
The Colombo Plan, SAARC and
Dialogue Partner in ASEAN


MALDIVES
Kelai
Tliadummati atoll
Miladummadulu atoll
Malosmadulu atoll
Fadlffolu atoll
Kardiva I
MALE
Ari Atoll
South Male atoll
Feldu atoll
Nilandu atoll
Mulaku atoll
Kolimadulu atoll
Hadelummati atoll
INDIAN OCEAN
Suvadiva atoll
Fua Mulaku I
Addu atoll
INDIA
Maldives

MALDIVES

Capital : Male

Area : 298 Sq. Km.

Population : 0.3 million (1996)

Climate : Temperate island climate

Constitution & Government : Parliament consists of 48 members, eight of whom are nominated by the President and 40 directly elected for a term of five years. The President is nominated by the Parliament and elected pursuant to referendum.

Currency : Rufiyaa (MRF)
MRF 10=US$ 1 (approx.)

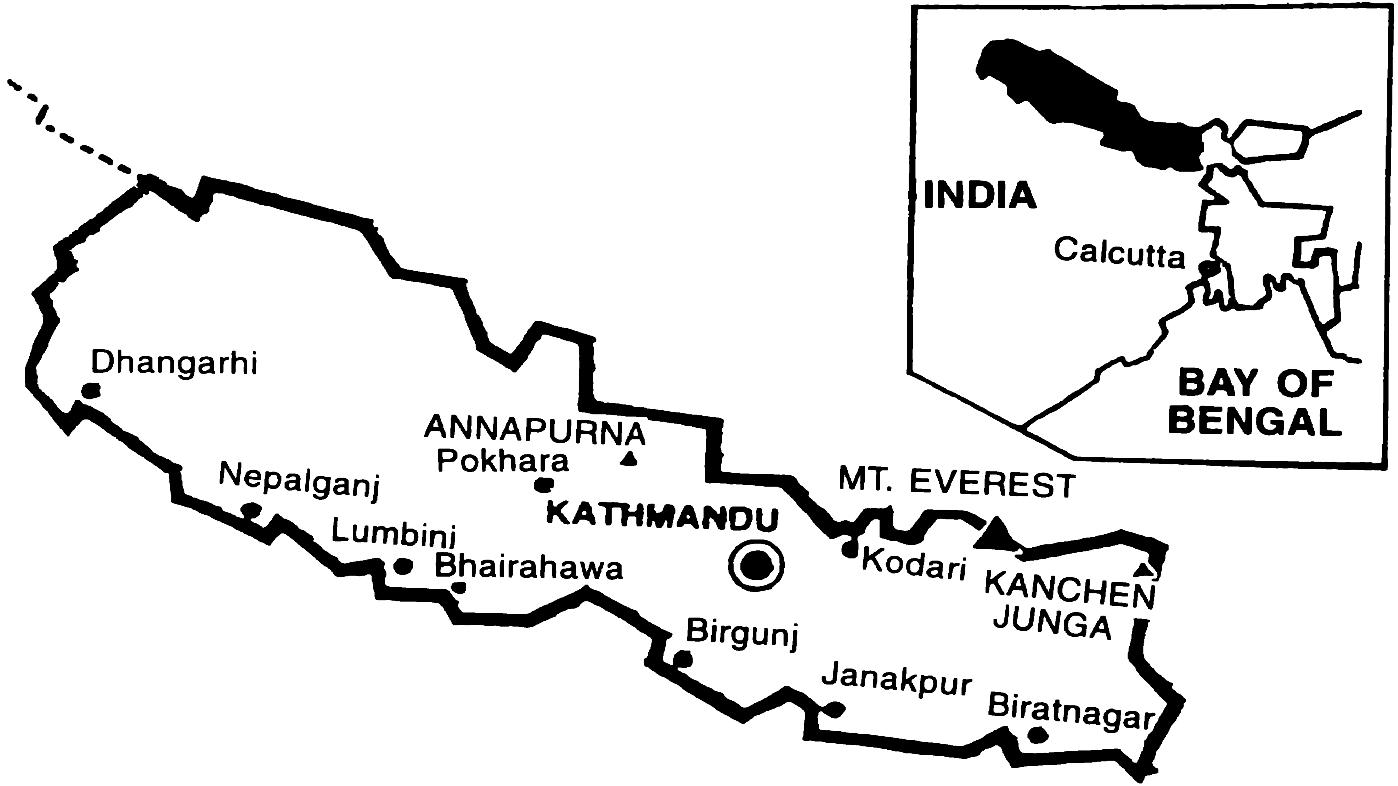
GDP : US$ 167 million (1993)

Principal Crops : Coconut, Maize, Cassava, Sweet Potatoes, Onions, Chilies.

Main industries : Fishing, Tourism and Shipping

International Relations : Member of the U.N.,
Non-aligned Movement,
The Commonwealth,
The Colombo Plan
and SAARC

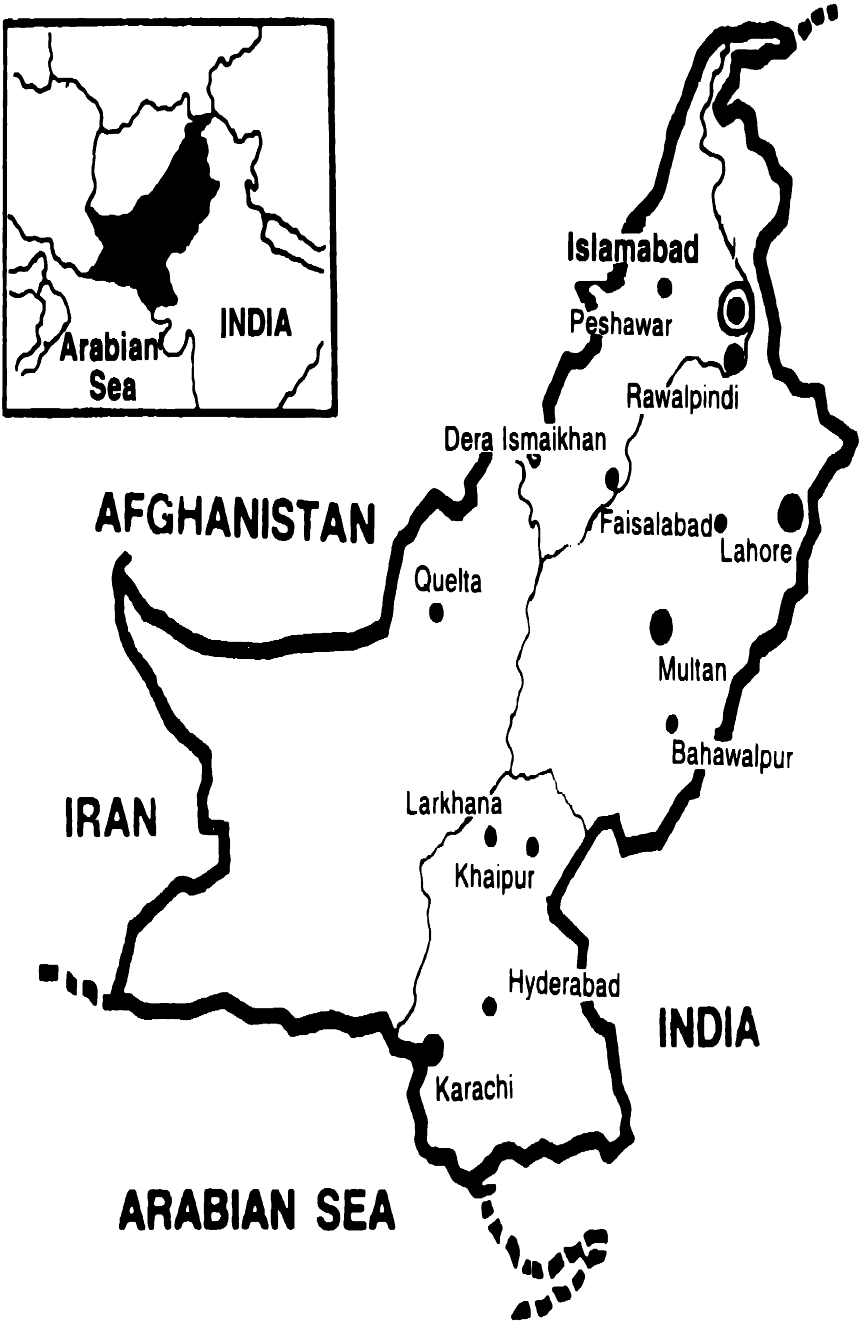
NEPAL


INDIA
Calcutta
BAY OF BENGAL
Dhangarhi
ANNAPURNA
Pokhara
Nepalganj
Lumbini
Bhairahawa
KATHMANDU
MT. EVEREST
Kodari
KANCHEN JUNGA
Birgunj
Janakpur
Biratnagar

NEPAL

Capital	:	Kathmandu
Area	:	1,47,181 Sq. Km.
Population	:	21.9 million (1996)
Climate	:	Rainfall is high from June to September and dry weather from November to January. The range of temperature is moderate.
Constitution & Government	:	Under the Constitution of 9 November, 1990, Nepal is a constitutional monarchy based on multi-party democracy with a bi-cameral legislature consisting of a Pratinidhi Sabha (Lower House, 205 members) and a Rashtriya Sabha (Upper House, 60 members).
Currency	:	Nepalese Rupee
	:	NPR 50=US$ 1 (approx.)
GDP	:	US$ 3551 million (1993)
GDP Real per capita (PPP)	:	US$ 1000
GDP Growth Rate	:	2.3% (1996)
Principal Crops	:	Rice, Maize, Wheat, Sugarcane, Potatoes,, Millet.
Main industries	:	Textiles, Iron & Steel, Cement, Sugar, Carpets and Paper
Minerals	:	Quartz, Small deposits of Lignite, Copper, Cobalt, Iron Ore
International Relations	:	Member of the U.N., The Non-aligned Movement, The Colombo Plan and SAARC.

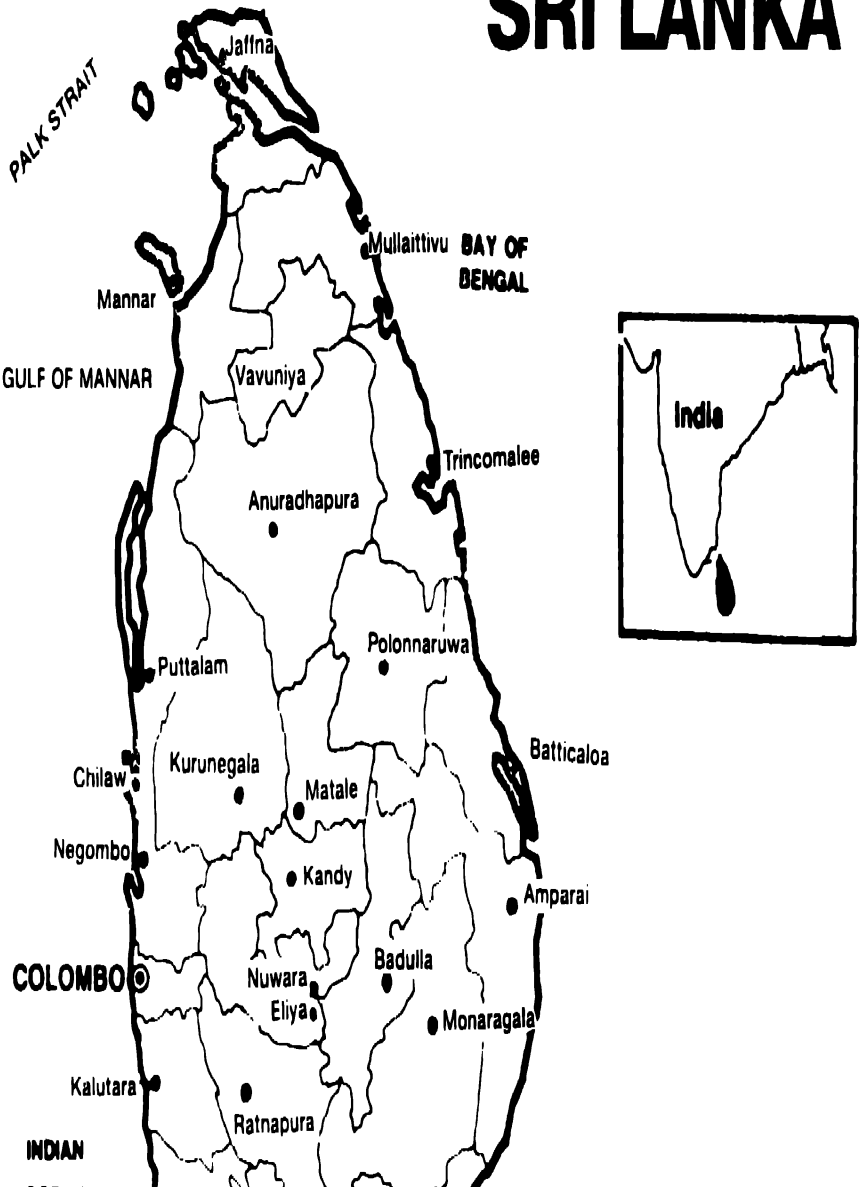
PAKISTAN


INDIA
Arabian
Sea
Islamabad
Peshawar
Rawalpindi
Dera Ismaikhan
AFGHANISTAN
Faisalabad
Lahore
Quelta
Multan
Bahawalpur
IRAN
Larkhana
Khaipur
Hyderabad
INDIA
Karachi
ARABIAN SEA

PAKISTAN

Capital	:	Islamabad
Area	:	7,96,096 Sq. Km.
Population	:	133.2 million (1996)
Climate	:	Climate is mainly dry with rainfall varying between four to forty inches a year. Temperature varies from extreme summer heat in some places, to a brisk, invigorating cold in winter with heavy snowfall at elevations.
Constitution & Government	:	The Constitution defines Pakistan as a Federal Islamic Republic. The President is the Head of State and Prime Minister, the Head of Government. The parliament is bi-cameral, comprising Senate of 87 members and a National Assembly of 217 members including 10 seats specifically reserved for Non-Muslims.
Currency	:	Rupee
	:	Pak Rs. 32=US$ 1 (approx.)
GDP	:	US$ 46,360 million (1993)
GDP Real per capita (PPP)	:	US$ 2,100 (1993)
GDP Growth Rate	:	US$ 6.1% (1996)
Principal Crops	:	Wheat, Rice, Sugarcane, Grams, Cotton and Tobacco.
Main Industries	:	Textiles, Cement, Fertilizer, Leather, Garments, Chemicals, Agro-based, Engineering, Electrical/Electronics Industries.
Minerals	:	Coal, Copper, Chromite, Dolomite, Limestone, Marble, Magnesite, Gypsum, Rock salts and Sulphur.
International relations	:	Member of the U.N., The Non-aligned Movement, The Commonwealth, The Organisation of Islamic Conference, The Colombo Plan and SAARC.

SRI LANKA


PALK STRAIT
Jaffna
Mullaittivu
BAY OF BENGAL
Mannar
GULF OF MANNAR
Vavuniya
Trincomalee
Anuradhapura
India
Polonnaruwa
Puttalam
Batticaloa
Kurunegala
Chilaw
Matale
Negombo
Kandy
Amparai
COLOMBO
Nuwara Eliya
Badulla
Monaragala
Kalutara
Ratnapura
INDIAN OCEAN
Galle
Matara
Hambantota

SRI LANKA

Capital : Colombo
Area : 66,000 Sq. Km.
Population : 18.2 million (1996)
Climate : Temperate Climate with wet and dry seasons
Constitution & Government : Executive President is directly elected for a six year term. Unicameral Parliament consists of 225 members (196 elected and 29 from the national list). Election is by proportional representation by universal suffrage by citizens of over 18 years. The term of Parliament is six years. The Prime Minister and the Cabinet of Ministers, who must be members of Parliament, are appointed by the President.
Currency : Sri Lankan Rupee
: SLR 48.95 = US$ 1 (approx.)
GDP : US$ 9,377 million (1993)
GDP Real per capita (PPP) : US$ 3,030
GDP Growth Rate : 5.6%
Principal Crops : Tea, Rubber, Coconut, Paddy
Main Industries : Food, Beverages, Tobacco, Textiles, Rubber, Petroleum Chemicals, Plastics, Clothing & Leather Goods.
Minerals : Gems, Salts
International Relations : Member of the U.N.,
The Non-aligned Movment,
The Commonwealth,
The Colombo Plan and SAARC.

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